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THE EFFICIENCY OF FEDERAL PROGRAMS SERVING RURAL AREAS

HEARING

BEFORE THE

SUBCOMMITTEE ON RURAL DEVELOPMENT, OVERSIGHT, AND INVESTIGATIONS

OF THE

COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY UNITED STATES SENATE

NINETY-EIGHTH CONGRESS

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MONDAY, FEBRUARY 14, 1983

U.S. SENATE,
SUBCOMMITTEE ON RURAL DEVELOPMENT,
OVERSIGHT, AND INVESTIGATIONS OF THE
COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY,
Winooski, Vt.

The subcommittee met, pursuant to notice, in the Vermont ETV studio, at 8 p.m., Hon. Mark Andrews (chairman of the subcommittee) presiding.

Present: Senators Andrews and Leahy.

STATEMENT OF JACK BERRY, COMMENTATOR, VERMONT ETV

Mr. BARRY. Good evening and welcome to a television first. Tonight Vermont ETV is pleased to present the first U.S. Senate hearing that will take testimony from television viewers.

Senator Patrick Leahy, a Democrat from Vermont and Senator Mark Andrews, a Republican from North Dakota, will chair tonight's live television hearing.

Let me explain the purpose and procedure for the hearing. Senators Leahy and Andrews will comment further on this later. The essential hope here tonight is not necessarily to write new legislation, but to improve current laws relating to rural life.

Dr. Fred Schmidt, director for rural studies at the University of Vermont, will present an overview of changing rural life. After the opening dialog the chairman will present panels. These panels will discuss economic development, agriculutre, and health and nutrition. When the testimony is complete, we will then move to the telephones to take testimony from viewers who have previously arranged to call in their testimony.

This is not a call-in program, repeat, not a call-in program. For those who are going to testify by telephone, please stand by at your home for the call from us. I would also admonish all of the participants to be as brief as possible so that we may get as many different viewpoints as possible.

Now it's time to start the official hearing. It is a distinct pleasure for me personally and a high honor for Vermont ETV to welcome and present Senator Mark Andrews of North Dakota and Senator Patrick Leahy of Vermont. Senator Andrews.

STATEMENT OF HON. MARK ANDREWS, A U.S. SENATOR FROM NORTH DAKOTA

Senator ANDREWS. Thank you, Jack. It's a privilege to be here in Vermont as chairman of the Investigation and Oversight Subcommittee of the U.S. Senate.

Your own Senator Leahy from Vermont is the ranking Democrat on that subcommittee and we are here in a significant and historic first.

More than 200 years ago a group of young people put together the constitution of this republic of ours, and they gave us three things: They gave us the freedom under which we have the opportunity to participate. Now 200 years later we have far more freedom than they ever dreamed possible, much more opportunity than they could have possibly imagined, but we are participating much less than they took for granted years ago. Somehow or another we don't have the opportunity to participate. The distances are great, the cost is high and particularly in the people's branch of our Government, the Congress, where the people should be heard. The hearings all too often that are held in Washington consist of testimony given us by professional lobbyists, the people who drift in with prepared position papers. I think it's far more important to get the ideas directly from individuals who are not professional lobbyists.

It's hard to do, but tonight we are going to try it. Not only are we out in the country where Senate committees have not gone before, but we are meeting in the evening when it's much more available for the average working man or woman or the farmer who's just finished his chores to call in. We are doing it by television so the people who have arranged to testify can call in and can give us the benefit of their views without having to travel the long distances that would otherwise be the case.

It's fitting, also given the tradition of this Nation, that these hearings are on agriculture; 200 years ago ours was a rural nation; 90 percent of our people lived on the farms providing the food for the other 10 percent.

Then our standard of living gradually began to improve. More and more people moved off the farms into the big cities. More and more people were available to build the bathtubs, automobiles, and bicycles and a host of other things that give us the high standard of living that we have come to know in America.

Traditionally we have moved away from agriculture. Somehow or another agriculture and rural communities have been looked upon as stepchildren in this economy, more from oversight than misunderstanding than any intention on the part of Americans. However agriculture remains the basis for our whole economy, and it's extremely important that we take a look at how it can be shored up, how rural America can be made stronger.

We have done a lot over the last 30 or 40 years. The Rural Electrification Administration has come about and provided comparable cost electric power in rural areas.

The whole concept of the Federal credit system has allowed farm groups and co-ops and rural areas to obtain credit they couldn't otherwise have achieved.

We have some programs in housing, rural water and sewers and many other things, but these programs have to be stepped up. Congress has recognized this and we directed the administration, four administrations ago, to do something about rural development.

As a matter of fact, it was during the Nixon administration, that the rural development section of the Department of Agriculture was set up and instructed to get on with the task of revitalizing rural America since then we have waited and waited and suffered benign neglect through Democratic and Republican administrations. I think those in the Congress have the responsibility to put facts together so that our colleagues can take a close look at them and design budget programs this spring, and for the balance of the decade and come up with appropriations so that we can move in the direction of revitalizing rural America, smalltown America, and our overall economy.

We want to find out how to achieve these goals and we want to find out from those of you in small towns and rural areas.

My home State of North Dakota is much like Vermont. We are an agriculture State. We have about the same number of people, but our distances are much more vast than yours in Vermont.

It is a privilege for me to be here tonight and in effect while I'm chairing the committee, I'm going to pass the gavel to my colleague and good friend, Patrick Leahy, because we are in his State and he knows these people best and the two of us, of course, will jointly question the witnesses as the testimony goes on and will be most anxious to take these stories back to our colleagues in Washington.

Thanks again for giving us the opportunity and, Jack, for making the facilities of your educational television studios available to the Senate subcommittee to conduct these historic hearings.

Mr. BARRY. Thank you, Senator. Senator Leahy.

Senator LEAHY. Mr. Chairman, I want to thank you for coming to my beautiful State of Vermont. I also want to congratulate you in arranging to come between the snow storm which paralyzed Vermont for a day last week and the snow storm that paralyzed Washington, D.C. over the weekend.

Senator ANDREWS. Most of us in North Dakota don't know what snow looks like.

STATEMENT OF HON. PATRICK J. LEAHY, A U.S. SENATOR FROM VERMONT

Senator LEAHY. Somehow you arranged to get right in between the two of them.

We, in the Senate and in the Congress, pass an awful lot of laws, but it's not nearly often enough that we have a chance to review these laws to insure that they are going to do what we intended. I congratulate Senator Andrews and the others on the committee for their devotion to this oversight function.

I want to congratulate the people of Vermont. We have had a number of firsts in our State. After all, we were the first State to join the Nation after the original 13 colonies. We are doing it again tonight.

This is a first as Senator Andrews said the first time in U.S. history some of the testimony of a Senate hearing will actually be heard by telephone.

I want to thank Vermont ETV and, Jack, I want to thank you. It was some time ago that you made the suggestion we might try to do this. You and Vermont ETV have helped an awful lot in putting it together.

I think both Senator Andrews and I are fortunate in being able to try this out. We are used to open, accessible government in Vermont. Town Meeting Day is part of that tradition. Tonight we are going to have a statewide hearing on Federal rural policy. We are not going to hear from the professional testifiers we normally hear from in Washington. Instead, we are going to hear from Vermonters who actually have to work with the programs, who have to decipher the regulations, who have to deal with the paperwork.

Rural areas are growing. For the first time in 160 years rural populations grew faster than their urban counterparts. Rural employment increased faster than urban employment. Rural economic growth jumped ahead 50 percent more than urban areas over the past 10 years.

Now, these are impressive statistics. We who live in the small cities and small towns of rural areas know that the job is far from complete. There are still far too many rural communities without adequate water and sewer and other facilities and there are still 2 million rural people living in substandard housing.

The Federal Government has long been aware of these and other unique needs of rural areas. The Congress has been trying to do something about it. In 1980 the Congress took an important step forward. After many years of hard work, the Rural Development Policy Act was enacted. I wrote the version in the Senate. Senator Andrews was a Member of the House of Representatives and worked for passage of the House version.

Our hope then was that, finally, rural areas were going to receive the kind of attention that they really deserve. Once and for all rural areas would get a fair deal from the Federal Government.

The act called on the Secretary of Agriculture to work with the other departments of Federal Government and devise a comprehensive rural development strategy, one that was going to end duplication and waste in Federal rural programs to make them more efficient, to end the antirural bias that seemed to be in Government programs.

The first report has been published in accordance with the act. Two years late, it cost more than $4 million to produce. It reviewed only 40 of the hundreds of existing Federal rural programs, and made only 12 recommendations for change. Many of those are changes Senator Andrews and I have worked for for years.

I think that we have to look one more time at what we are doing. Are we coming up with a New Federalism or a new separatism for rural areas? Are we talking about housing block grants that instead of making available more housing for rural areas, actually cuts funds by more than two-thirds?

We must base our rural strategies on the idea that the problems of rural areas will simply not go away if we only use empty rhetoric.

The Federal Government has to realize that rural problems are just as serious as urban problems. Rural people have just as much right to be heard as those who live in urban areas, and that the Federal rural programs have to be made as efficient and as effective as possible, not just simply cut to the bone.

So, we begin the process that the Rural Development Policy Act called for. We want to hear from Vermonters, find out ways the Federal Government can work. We will take that information back with us to Washington. We will have more hearings in Washington. We will also have hearings like this in North Dakota.

I said somewhat facetiously earlier, Mark, that we are going to find out what works and what doesn't work and then take it to North Dakota and have similar hearings. But, I think you'll find that what you're going to hear from Vermonters is very similar to what you'll hear from the rural people in North Dakota.

Rural areas have been ignored for far too long by both Republican and Democratic administrations. I don't think we are going to turn our back on the unique and critical needs of rural America any more, and I hope these hearings will help to demonstrate that.

So, Mr. Chairman and Mr. Moderator, I turn back to you.

Mr. BARRY. All right, Senator Leahy, thank you very much.

It's now my distinct pleasure to present to you Dr. Fred Schmidt, the director of the Center of Rural Studies at the University of Vermont.

TESTIMONY OF DR. FRED SCHMIDT, DIRECTOR, CENTER OF RURAL STUDIES, UNIVERSITY OF VERMONT

Dr. SCHMIDT. Thanks, Jack. It's an honor to be here. This is an event we have waited for for a long time.

I's pleased to welcome Senator Andrews to Vermont and certainly Senator Leahy who spends as much time in Vermont as he does in Washington.

My concerns tonight are to talk about some changes that have occurred in rural America over the last decade, a very important decade.

As both Senators have mentioned, we have seen a population turn around during the decade. In addition, we have seen a number of problems articulated. Of greater interest tonight, however, is to share a concern that all of us have, and that is simply a concern for the development of a coherent rural development policy. I would like to make just a few remarks in that area focusing upon just what the essential features of such a policy might be.

As both Senators have pointed out, we have a long tradition of concern for rural development in the United States. I won't say it is a rich one, but it is a long and interesting tradition for dealing with the issues of rural development. It goes back at least to the Land Grant College Act of 1862. It goes through 1972 with the important Rural Development Policy Act. However, the history is a policy history which develops in fits and starts. We do not build toward a unique, comprehensive, and systematic policy framework. I am hoping that these hearings will lead us to be more systematic and will lead us to be more comprehensive in the way we treat rural development policy.

The question arises, why bother? In the past we may have afforded not to have had a comprehensive rural development policy. We could have had simply picked issues as they emerged. However, today long term planning is certainly a major concern of government. It is critical and has been critical because of our increased awareness of serious environmental issues and the knowledge that impacts of the kind of decisions that we are making today will last far into the future.

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A coherent rural policy is critical today because we now view rural America as more than simply the home of farmers. Less than 2.6 percent of the American population currently reside on the traditional American farm. Less than 15 percent of our labor force is involved directly in agriculture. Rural communities represent a wide diversity of activity in addition to just agriculture, as I'm sure we are going to hear as this evening continues. So too we are realizing that rural areas—that 75 to 80 percent of the land area of these United States that holds the natural resources of our country. Thus, we cannot continue to isolate rural from urban issues because we must deal in terms of a comprehensive policy which looks at the impact and the interaction between those two sectors.

Second, a concern has emerged for accountability in government. This too is a concern in the development of a rural policy; it must be a policy that is comprehensive in nature simply so that we can measure the impact of various individual programs.

We do not have a good record of the impact of programs to date. We have not been accountable in that sense. For example, during the 1960's, the war on poverty policy involved a host of programs each of which had a specific impact. In spite of this decade of activity in rural areas, we really can't assess what that impact has been because we haven't had a single policy from which to systematically measure change. Nor was a comprehensive accountability insisted upon.

Finally, I think it is important for rural people in specific and for all Americans in general to have some feeling of control over our destiny. A comprehensive policy enables us to see where we are going one decade from now, two decades from now. A final question arises: Why no consistent policy today?

Many of these reasons that no single policy exists are cultural in nature. As Senator Leahy indicated in the introduction until very recently the prevailing orientation was that sooner or later rural populations would disappear. This orientation maintained that people would move to the cities and live happily ever after and was called the metropollyanna myth. The metropollyanna myth maintained that since rural areas would be depopulated, no policy was necessary. Another myth suggests that rural life was the natural life, the good life, and doesn't need policy directed tampering, thus we don't need to have a rural policy; we don't need to have a policy framework.

Of course, these are both erroneous concepts in the sense that they isolate rural from urban America. We have had success in the urban policy areas. We can measure the impact of our policies in the urban areas. But the rural history has not been one where we have measured the impact of programs. I hope in the next decade we will develop a comprehensive policy to facilitate and measure rural development.

Yet another obstacle to the development of a comprehensive policy is the fact that there is no united front representing the people of rural America. In fact, the very definition of "rural" is fraught with problems. The many definitions that are floating around are confusing in a conceptual sense.

With the help of Senator Leahy's staff we spent some time, in the late 1970's looking around Washington to find out how many different legal definitions affected the distribution of support for rural programs. We came up with 76 different definitions. Of course, this many

definitions were only symbolic of the variety of interest groups and the variety of issues which exist in rural areas, and further fractionalizing the potential united front which might lead to a consistent and sustained policy. Clearly the lack of population density further spreads the potential consolidation of interest in rural areas.

Moreover, there is the rural terrain which varies literally as Woody Guthrie says in his song, "from the redwood forest to the gulf stream waters." These different environments force different life styles upon people making it difficult to form cross-state and cross-regional coalitions. Local government presents rural activists with a bewildering array of units to work with. For example a local level here in New England is town government. But many of the rural people in the midwest live simply under an open country situation under the jurisdiction of counties. This represents civil governmental experiences that we Vermonters do not share. These differences make it difficult to design uniform Federal programs. Sometimes, in fact, the differences make the very design of the programs themselves an issue.

Finally in terms of this wide variety of differences, there is the notion of economic structure. Rural people do many different things—from working in extractor industry, to farming through the social services—and that has made it hard for them to organize. And, in the final analyses, there is the whole issue of the issues. The many, many issues—which you have mentioned already tonight—housing, health, law, crime, and transportation, dissipate organizational solidarity in rural America. To date, in the context of a rural policy, these issues have been considered one at a time rather than with a uniform approach.

Again, I would hope that in the next decade we may move towards more comprehensive treatment of this issue panorama in rural America because we are learning that all these issues are interrelated.

Senator ANDREWS. Dr. Schmidt, you made some excellent points. I've long believed farm groups do far more to confuse than to convince Members of Congress by coming at different directions regarding the host of problems we are faced with.

As a leading sociologist in rural America, how would you suggest we structure these programs that are needed for the decades yet to come? Do we trust them like we do with the Morrill Act, where we are in partnership with the educational institutions established by the State? Do we provide the catalyst with local cooperative groups as we do in rural electrification? How would you suggest we structure these programs?

Dr. SCHMIDT. Certainly a key element of any comprehensive policy is a careful examination and assessment of the existing real infrastructure. Of course, Senator, what you suggest at a State level and at a local level constitutes a rural infrastructure focus.

However, I feel the problem may be even deeper. We need to look carefully at construction of a national policy. Where do we want to be as Americans? Do we want to be in the cities? Do we want to see the continued drain of the rural population to urban areas that occurred up until the seventies? What is an intelligent long-range plan in terms of national defense? Shall we seek a better distribution in terms of our population spread?

These kinds of fundamental questions have been faced in other policy areas in the Federal Government; they are areas where we can start and then work down to the specifics.

Senator LEAHY. Let me follow up a little bit on that. You spoke of a sort of metropollyanna, a view that everybody had at one time that we would all move off to the cities and live happily, after all abandoned Vermont.

We have kind of a Norman Rockwell view of rural America where there are no problems of crime, there's no problem of hunger, there's no problem of housing, and yet we can leave this building and in a matter of minutes find all of those problems.

Yet rural areas are now growing, not diminishing.

What would be the major type of change we are going to see in rural policy as a result of that kind of a change in population? What do you think we will see? What should we see?

Dr. SCHMIDT. Well, all indications, so far—3 years into this decade—are that the growth of rural areas has been sustained. The rural renaissance of the seventies continues.

Of course, rural people have faced some new issues. Certainly the agricultural sector, which we will hear more about tonight, is facing some specific new challenges. As critically, we find that many of the people that moved back or moved into rural areas for the first time, during the seventies are going to present a new complex of needs.

Many people are older, retirees for example. We are going to have problems in dealing with our elderly population in rural areas simply because the percentages of rural elderly have increased during the decade of the seventies. They will have special health service needs.

A number of people have selected rural areas simply because they are interested in new life styles. I think they too present us with a rich resource of new, skilled people to work with. They do not suggest, of course, a simple and easy targeting of policy, but I do think they're valuable allies in terms of building a policy which is more comprehensive in scope.

Senator ANDREWS. If you had to put your finger on the priority, what is most needed to make this rural renaissance?

Dr. SCHMIDT. I'm going to answer your question with a single concept here too, Senator. One of the things that the public interest groups have argued systematically for, is simply, equality. If Federal money is laid out in the urban areas at a certain ratio per capita, let's at least have it at the same ratio per capita in rural areas.

If we could maintain a comprehensive national growth policy, a concern to see a better spread of the population would thus be seen as in all of our interests, not just rural folks but all Americans. Therefore, to promote more equalitarian distribution of Federal funding across rural and urban areas, equity of funding, means having to respond in a more equal way to the panorama of rural needs.

The concept is the notion of equality. I think you're well aware of the fact that many of the programs that have been designed for this country have not matched urban spending on a dollar-per-capita basis.

Mr. BARRY. If I could, we are going to have to move along to economic development, otherwise we are not going to get to our callers.

I know both of you gentlemen, Senators have further questions that you would like to ask of Dr. Schmidt and we appreciate your calling

in and, Senator, you're going to be calling the members of our economic development panel, and while they are coming on the set, I would like to remind those of you who are in our viewing audience tonight who will not be able to make your telephone testimony available to Senators Andrews and Leahy, that if you would like to write your testimony, you certainly have the opportunity to do that and you may do that for the period of the next 2 weeks. If there is something you would like to say about this hearing and to the Senators and the Senate Agriculture Committee, you may do that by merely addressing your testimony to Committee Hearings, attention Senator Patrick J. Leahy, Washington, D.C. 20510. Remember 2 weeks from tonight's date to submit that testimony. Now back to you, Mr. Chairman.

Senator LEAHY. I must say, Jack, that having heard Dr. Schmidt start and, Mark, I think you probably have given us enough of an agenda just in your opening statement to keep us going for the rest of the year in hearings—which shows the complexity of the whole situation.

It's the first time you realize a Senate hearing actually had constraints of time, Jack. You may be starting something that will shake the whole structure of the U.S. Senate.

Mr. BARRY. I hope I don't step on your toes.

Senator ANDREWS. It's the first time we haven't been able to revise our remarks.

Senator LEAHY. Do you realize the chairman of the overall committee, Jesse Helms, would never understand this limiting of time, but let me go on.

We will call Peter Judge, who is the president of Investors Corp. of Vermont here in Burlington; and Corwin Elwell, town manager of Brattleboro; Dr. Janet Murphy, who is the president of Lyndon State College; and Tom Ryan, chairman of the Southwest Vermont Development Council. This will be the economic development panel.

I believe, Mr. Chairman, each one is going to start off with an opening statement.

Senator ANDREWS. We look forward to those opening statements.

Senator LEAHY. We will start with you Mr. Judge.

TESTIMONY OF PETER JUDGE, PRESIDENT, INVESTORS CORP., OF VERMONT, BURLINGTON, VT.

Mr. JUDGE. Senator Andrews, Senator Leahy, we are grateful for the opportunity to talk a bit about rural economic development. We fully appreciate some of the problems that are inherent in this type of activity.

It's necessary to first think about the changing nature of our economy in a larger scale. At the moment all of our United States is undergoing an economic transformation under what is loosely called Reaganomics.

Among all the nations of the world, we are presently being transformed from a service and industrial oriented society to an information oriented society just as heavier and more labor intensive activities are shifting to less developed regions of this Earth. The same process is evident here in Vermont. Despite our reputation for hard work, thrift, ingenuity, and reliability, our traditional forms of work are declining, even disappearing from the region; textiles, machine tools,

furnture making—even certain modes of agriculture. We need a new approach.

The challenge presented is first of all, to ask what types of enterprise are best suited for a rural State like ours. After making a thoughtful evaluation and developing some strategy, only then can we begin to assemble some of the tools necessary to accomplish these reasonably attainable goals.

I believe we must shift away from heavier industry, from the capital intensive and energy consumptive forms of enterprise to endeavors which exploit our unique attributes right here in the rural areas. We must depend on certain indigenous qualities: the quality of life, the commitment to education, a strong work ethic, a relatively low cost of living, and a spirit of independence.

In short, some of the things that are quite likely to attract people engaged in service occupations and the knowledge related industry. At the same time, we must recognize our shortcomings in the traditional sense. We must avoid strategies that are dependent upon cheap transportation, abundant energy, large deposits of raw materials, proximity to markets, or cheap labor.

We must, in the rural areas, shift away from conventional forms of enterprise and we must search for activities which will be important far into the future. Government at the higher levels must play a vital support, but not primary, role. It's imperative that Government aid in the transition. It must, first of all, facilitate the necessary planning which will tell the rural areas where best lies their future. It could be technology, it could be a related activity. It could be service enterprises. It could be farm related food processing industry.

In my opinion, though, it's vital that we change our thinking and reorient our goals away from the heavier industries to the new forms of enterprise which will be important long into the 21st century.

Financial support for professional—and I must emphasize professional—local, regional, statewide planning is critical and it must be addressed.

Significant to rural development will be increased support for infrastructure necessary for these new forms of business. Air transportation, for example, is crucial here in Vermont. We must make it even more convenient to travel quickly to the areas selected for economic stimulation because modern business depends increasingly on excellent transportation and communication.

Equally important is continued and increased support for those educational institutions which are located in rural areas. We must design training programs which are compatible with and supportive of the economic activities identified through the planning process. Highly skilled workers in specific fields will be the most important raw material of the future. At the same time we must make it possible to use the existing infrastructure more intensively, that is to encourage economic activity in places where water, sewer, and highway systems are already in place but which can be expanded easily and inexpensively.

It is only after readjustment of our economic orientation and accordingly the improvement of our infrastructure that we should focus on the financial problem. We should stress programs concentrated in

those broad areas identified by our planning efforts. In this way we can achieve the greatest leverage with the limited funds available to rural areas and we can move economic development in directions which will continue to be viable long into the future.

As I see it, the most critical financing need is in the venture capital area. Right now rural areas do not have significant or sufficient venture capital resources. All too often a potentially viable enterprise fails to achieve a good start or even once started, it fails because of inadequate financing.

At the Federal level, a program modeled on the urban development action grant might be most helpful. The urban development action grant is significant because it enters at the entrepreneurial level. It possesses some very interesting characteristics. A rural development action grant could accomplish the same sorts of things. It could generate leverage; that is, it could require a significant ratio of private capital investment and commitment in any business venture. It can operate with criteria which mandates certain beneficial impacts on a community tax base, on unemployment levels, and on the overall economic plan for the area. The funds will ultimately be recycled back to a community, a recipient community, which will receive benefits by taking part in the venture in the form of equity participation, interest, or deferred payments. As a result the income stream would help defray any public cost associated with an activity.

In this context, I would hope that interstate banking becomes a reality here in the region. All too often businesses suffer because of inadequate capital and, indeed, the largest bank in Vermont has a maximum loan parameter of only approximately $5 million, Firms doing business in the State of Vermont must develop new banking relationships when they cross State lines and expand their operations to regional and possibly national markets. The obstacles to selling goods in a foreign country by Vermonters are formidable.

A great handicap for an area like ours is a personal income which is at the bottom of the national scale here in Vermont. Savings are slender and accumulated capital, therefore, relatively modest. There is not a surplus with which to encourage new and often risky ventures.

In summary, I would like to see a coherent strategy for economic development emerge. The first stage would be intelligent planning performed by professionals and assisted by government funding.

The second step would be to implement the plan by encouraging the development of infrastructure and public accommodation for those economic activities deemed most feasible. Only then as a final step should the different levels of government, in conjunction with local development corporations, assist in the development of those forms of economic enterprise which are consistent with the planning process. To do otherwise would be to scatter our efforts in an uncoordinated manner and ultimately squander our resources on enterprises which might not fit our long term goals. Thank you.

Senator LEAHY. Next we'll hear from Mr. Corwin Elwell, town manager of Brattelboro.

Mr. ELWELL. Senator.

Senator LEAHY. Delighted to have you here.

TESTIMONY OF CORWIN ELWELL, TOWN MANAGER, BRATTLEBORO, VT.

Mr. ELWELL. Thank you for the opportunity to comment on the problems and opportunities of economic development in Vermont.

I'm here this evening representing Brattleboro, but I'm also representing all the communities of Vermont and I hope that my comments will be helpful to you in your job of wrestling with the problems and opportunities of rural life in America.

Economic development and community development are so closely allied that it's sometimes difficult to determine where one begins and the other stops.

In my experience, if a community does not adequately prepare itself for economic development, it isn't going to occur. A community that does not provide the basic services of water, sewer, police, fire, health services, and education will not be attractive to industries looking for a receptive location.

Communities also want to encourage industries who are willing to pay their fair share of community costs. Taking a page from Al Moulton's book, my view is that jobs are the key to community life and in order to create jobs, all facets of the community must pull together to develop a climate necessary to create jobs. Obviously no community or State can do this alone. Thus, our partnership with the Federal Government.

How are the Federal programs working in Vermont? Overall, I believe that most of them have been very helpful, but not without problems of application or administration in a rural State such as ours.

Brattleboro has been successful in participating in Federal projects and programs, but we have been very selective. Community development block grants (CDBG) and urban development action grants (UDAG) both are programs that were originally designed for urban areas. I think we have successfully adapted them to Vermonter's needs. Recently we were able to encourage a homegrown industry in the energy conservation field, to expand from 25 to 100 employees and at the same time install facilities that will permit other industries to expand in that same area all with the assistance of a UDAG.

I mentioned earlier the need to ensure basic community services, and two of them are so basic that they hardly need mentioning; water, good water and adequate sewer treatment program.

The Federal Water Quality Act is a necessary body of law, but I'm concerned that no one, public or private, has determined how the community costs of complying with this act are to be met. I would suggest this is a proper area of study for your committee at least as it pertains to rural America.

Brattleboro presently is constructing a secondary sewage treatment facility which will be adequate to serve us beyond the year 2000. Other Vermont communities may not be able to afford development of these facilities if the present water pollution control program is not continued. Without continuation of this program on an adequate basis, both urban and rural communities will stagnate.

Housing is a mandatory component for rural economic development and needs to be encouraged by both public and private sectors. When I came to Brattleboro 22 years ago, the No. 1 item on the agenda was housing, and the No. 1 item on the agenda today is still housing.

The Farmers Home Administration has been very helpful and cooperative, and an active participant with all of the other agencies in the Brattleboro area, and we need to continue that support and be sure that adequate housing can be developed for people that are already here and other people who may want to come.

On the negative side, a Federal act that is an impediment to community development is the Davis-Bacon Act. As presently administered, this act restricts development by establishing artificially inflated labor rates on projects that have at least $2,000 of Federal support. Welcome changes in the administration of this act would be to raise the threshold of Federal participation from $2,000 to $50,000 before implementation of the act, to eliminate the so-called 30-percent rule, and to insist on comparability with local labor market rates.

General revenue sharing payments to Vermont local governments have been necessary to help maintain fiscal stability. Many communities, including my own, have used these funds for necessary capital projects such as fire apparatus, recreation facilities, police equipment, and on and on. We appreciate this program perhaps more than any other and are relieved to observe that most of the Congress and the administration do support extension of the existing program.

I hope you have gained the impression that I believe we need a mix of programs to ensure that a receptive climate for rural economic development will take place. The exact nature of the mix may be open to discussion, but the basic ingredients I believe remain a constant.

Finally, some problem areas in the rural economy—and I'm afraid that some of the solutions may be a long time in coming. First, some small communities in Vermont are fearful that with the reordering of Federal, State, local priorities, present and future programs may not be as accessible to them as they have been in the past.

Second, rural transportation is a real concern particularly in the sparsely populated areas of this State. Possibly an extension of some employer operated van programs will help meet this need.

Third and most important is the need for a training program to retrain people who have lost jobs that are never going to exist again. There are several areas in the State where this is going to be a long range drag on the community unless the problem can be successfully addressed.

A companion need is a quick response program that can be offered to new industries to get a local work force trained in a hurry to take those jobs that are available.

Thank you for your patience. Thank you for the opportunity to appear before the committee.

Senator LEAHY. Thank you very much, and we'll next call on Dr. Janet Murphy of Lyndon State College. She's a member of the Northern Vermont Development Association. She and other experts try to promote business and jobs in really the poorest communities, the Northeast Kingdom, so named by former Senator Aiken, and it's the most beautiful rural area you'll ever see other than in North Dakota, of course.

She's developed an intern project at Lyndon State, and I hope that's one of the things you will discuss out of this academic and business relationship and how it works.

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TESTIMONY OF DR. JANET MURPHY, PRESIDENT, LYNDON STATE COLLEGE

Dr. MURPHY. Thank you very much for inviting me here tonight and I disagree with Senator Leahy. There's nothing more beautiful than the Northeast Kingdom anywhere.

In the future as in the past a well educated, well trained work force will be essential to sustain economic growth.

In Vermont, opportunity for great communication and quality results are easier to obtain since Vermont has a population of less than half a million, yet with a full compliment of educational, governmental, and industrial services.

Lyndon State College realizes the need for direct linkage with business, applied for and received in 1978 a Federal grant that established an industrial educational council. On the council sat members of the Lyndon State College faculty and staff and leading businessmen and women from the Northeast Kingdom.

Our 4-year business program was developed by the faculty with direct input from the members of the industrial education council who knew firsthand the needs of the people and the employers of the Northeast Kingdom.

In addition, the grant allowed our faculty to go directly into business in the Northeast Kingdom such as Newport Plastics and Colt Industries to provide onsite courses for their employees. The leadership of Newport Plastics and Colt Industries provided incentives to their employees to take the courses.

In addition, courses and seminars were developed for those who wished an on-campus experience. Lyndon State College has been very active in seeking support other than State and Federal, and we have been fortunate to have large gifts presented to Lyndon from Digital Equipment Corp., which helped us establish a 2- and 4-year computer science program at Lyndon State College and from the American Broadcasting Co., most recently an $800,000 gift to enhance our communication, arts, and science program.

The Vermont State college system has received a contract under the supervision of Chancellor Richard Bjork from the U.S. Department of Education to support an educational need study of higher technology industries in Vermont and to provide a model for the delivery of services which directly link the high technology fields of industry with the resources of higher education.

Lyndon State College's newest and I think most exciting program will begin in September 1983. We call it our self-support program. A perfect title for the independent Vermonter. This program provides the same course of study as the traditional 4-year program, however, it's supplemneted by four paid work periods of 6 months each; midsummer to December or January to midsummer.

What are the advantages for the student? Two years of work experience which will help him or her receive a job at the end of their program. They can earn between $12,000 and $20,000 over the life of the program. Classroom work will be applied to the job and experience to the classroom. Money earned can be used to pay all or some of their educational expenses.

The advantages for the businesses are (1) the employer will have employees with at least 1 year of related courses, course work. The

employer will have the opportunity to train students and will have input into the curriculum. In addition, the employer will have the opportunity to hire a known commodity after completion of the program.

American productivity, economic welfare, national defense are threatened by a growing crisis in our educational system. There is considerable evidence of a decline of our scientific educational system which is indicated by a serious shortage of qualified mathematics and science teachers. For example, in one Southern State, with a full complement of public and private higher education institutions, last year graduated five biologists, five chemists and one physicist; and a major university in the Midwest with 2,400 students majoring in education, only five were majors in science education.

We must urge the 98th Congress to enact major legislation that will have an effect on addressing this shortage. There have been and there will continue to be proposals before you that address this problem. I looked at a couple of them and one is to possibly give money for faculty and to support them for seminars in the summer to assist high school teachers and upgrading so they can help their students in high school.

The economic impact of higher education in Vermont was released last week to Governor Snelling. Some important facts which I believe should encourage greater contributions from business to Vermont higher education institutions are: Vermont higher educational institutions have more than 15,000 full- and part-time employees and has a payroll which exceeds $13 million each year and generates at least $500 million worth of Vermont business.

Finally, I have been asked to address some barriers on the local, State or national scene which deter rural development.

One of the local barriers which I believe has been mentioned before is the disparity of economic support, town to town, for courses needed by students to become immediately employable or to seek higher education.

On the State level the decrease in funding from the Federal Government to support many programs that have been supported in the past are now heaped upon an already overburdened Vermont taxpayer which also lowers the priority of the State's ability to contribute to higher education.

On the Federal level major barriers to cooperation and support between businesses and higher education are the lack of support for cooperative education grants and new tax strategies involving the contribution of scientific equipment and tax credit for research which will encourage business to finance faculty research and related activities that were previously funded by the Government.

Whose responsibility it is to support higher education? In the past the full responsibility was borne by students, their parents, the State and Federal governments. I feel more responsibility should fall on corporate taxpayers since we in higher education have full responsibility of training the majority of the work force for the benefit of industries in Vermont.

The Vermont State college system provides a variety of services to the industries of Vermont and ends up paying a high price for it. Businesses are being taxed, but only a small amount of that tax is going to higher education.

The challenge to industry is to assist in the survival and perpetuation of public higher education by increased direct financial support in addition to other cooperative ventures. The challenge, if accepted, will have only positive effects on the industrial health of Vermont.

Thank you, gentlemen.

Senator ANDREWS. Thank you.

Senator LEAHY. Thank you very much, and our last witness is Tom Ryan from Rutland. I know that among other things Mr. Ryan, who is a chairman of the Southwest Vermont Economic Development Council, will discuss to what extent high tech jobs might go into rural areas. That is something I'm particularly interested in hearing, Mr. Ryan, because again it seems to be contrary to the Norman Rockwell Saturday Evening Post stereotypes of rural areas that we have often seen.

TESTIMONY OF TOM RYAN, CHAIRMAN, SOUTHWEST VERMONT ECONOMIC DEVELOPMENT COUNCIL

Mr. RYAN. Senator Andrews, Senator Leahy, thank you for the opportunity to present research findings that suggest an urgent need for a policy changing at the Federal level. These findings are supported in the reports that have been submitted to you. I would like to summarize the findings which we feel are significant, in fact, compelling.

Our region has experienced a gradual prolonged decline in its industrial base. This is the direct result of high energy costs, transportation diseconomies, problems with capital formation and more significantly, the maturation and obsolescence of industries that have long been our manufacturing employment base.

We have lost thousands of jobs in the garment and machine tool industries, jobs that will never be regained.

In response, the Economic Development Council initiated a research and planning effort to identify labor saving—labor intensive growth industries. With a grant from the Economic Development Administration, we looked to the high technology industries. We found that high technology, the state of the art in applied scientific knowledge and technique is all around us and includes products and services spanning the closed spectrum of industrial activities.

Senators, the technology revolution marks the end of technology as we know it. Our international competitive advantage in the heavy industries has diminished. Our dependence on foreign raw materials has grown enormously. There is a clear global division of labor taking shape and our labor input into the manufacture of materials and goods is declining. We are becoming an economy based on information and technology and herein lies our opportunity.

For our rural areas, these technology based industries are the development opportunities of the future. Nationally, as in Vermont, job growth is coming from small, young business not large industrial corporations.

The structure of our economy is changing from manufacturing to the service sectors in medicine, in business and in communications. The jobs of the future are in support of automated manufacturing in the processing of information and in developing new technologies, and, finally, even in the manufacturing sectors job growth rates in the office functions are outpacing job growth in the production functions. The

industrial work place is changing dramatically, however, our economic development strategies at all levels of government are based on the traditional industrial economy.

We are proposing upcoming industries instead for providing the foundation for the jobs growth of the future. Please don't get me wrong. We have a pressing need to maintain our traditional and infrastructure development programs. Roads, airports, sewer and water systems and industrial parts are critical to the activity availability of rural areas to attract and support economic activity. These programs must be reinforced, not abandoned.

What I'm suggesting is the need to expand our focus to respond to the technology revolution. We need new initiatives in education, training and retraining, a national commitment to human resource development should be an integral part of our economic development strategy.

In Vermont we are responding to this challenge with planning and educational programs. However, the need for an active Federal role is clear. With a grant from the U.S. Department of Education our State college system is developing programs specifically designed to prepare workers for jobs in the high-tech industries. Programs that will serve as a model of cooperation between higher education and the private sector and, of course, efforts for planning for future economic development needs, developing local capacities to sustain economic growth are dependent on support from the Economic Development Administration.

State and local initiatives must be supported by Federal policies that provide the tools we need to manage change. We need policies that provide an economic environment for technology based businesses to form and flourish, tax calls that foster new business formations, and development incentives to promote research and development strategies to encourage and facilitate technology transfers between our universities and industry. The choice is ours.

Will this be an opportunity lost or will we meet the challenge and be the managers of change. Thank you.

Senator LEAHY. Thank you very much.

Senator ANDREWS. Mr. Judge, I'm intrigued with a couple of things you mentioned.

First, you seemed to want to put the emphasis in finance and resources on the new growth industries rather than trying to make a midcourse recovery. I think that is a new concept. I'm intrigued with it. One other thing that is important for rural America, air transportation.

I happen to be the chairman of the Transportation Subcommittee on the Appropriations Committee on which Senator Leahy and I both serve. We have done some studies on that. We have deregulated and we found out that deregulation, which was supposed to free us all up, has really kicked us in the tail in rural smalltown America. It costs more to fly from Burlington to Boston than it costs to fly from Boston to Washington. It costs more to fly from North Dakota to Minneapolis than it does to fly from Minneapolis to Washington.

In fact we have taken a look at it and we have found that about 30 percent of Americans who happen to live in those favored cities are getting their transportation at bargain basement rates, and 70 percent of the Americans who live in the Burlington, Vermonts or the Fargo, North Dakotas are paying through the nose.

I'm taking a look at a move toward reregulation.

Senator LEAHY. I'm merely listening to it.

Senator ANDREWS. We checked with the airline industry and they say that it costs about 9 percent more to fly a short route segment than to fly a long route segment.

We are saying, OK, fine. We will triple that so they are not going to be dumping on the small towns. We could move back toward reregulation. We could say that no airline can charge more than a 30-percent surcharge per mile on any route segment over their cheapest route segment. See what I mean? Back in the days when it cost roughly the same amount to fly per mile from Burlington to Boston as it does from Boston to Florida, everybody was treated fairly. Now we are getting the short end of the stick and it's disadvantageous for small towns. Will this be something along the line you're talking about?

Mr. JUDGE. Yes. I think the communities that really are short-changed are the even smaller communities. Already places in Vermont that have a fine airport are without adequate air transportation, and I think without the carriers and without genuinely attractive service they will not be able to attract the industry of the future.

We have airports in Newport over toward St. Johnsbury, the towns of Swanton and Middlebury, down in Rutland—city of Rutland, and all those airports are going to need considerable support either from the Federal Government or from the State governments in order to prosper with the information and service industries of the future.

So many companies that we have talked to look at two things. They look at the ease of transportation to and from the locale and they look at the availability of educational resources, training.

Senator ANDREWS. We have a colleague from Missouri who wants to fly from Washington out to St. Louis. He buys his tickets from Washington to San Francisco, flys to St. Louis, throws his St. Louis/San Francisco segment away and saves money. That's where we have come to under this promotional kind of thing when you have an airline that's about to go bankrupt with a lot of employees that are important, and provide service to a number of towns. Then you have a rather well-to-do airline that decides, that they are going to push them over the brink and they come up with charges of $100 less and make it up on their other route structure. That isn't fair.

Senator LEAHY. I had a similar circumstance of having to fly out to Los Angeles once over a weekend for a meeting. It cost $8 more than it cost me the following weekend to fly to Burlington, Vt., and back to Washington. The differences are amazing.

I had somebody in my office who flew from Washington to London and it was $112 more than flying from Washington to Burlington.

Senator ANDREWS. You can fly from Washington to London cheaper than you can fly from Fargo, N. Dak. to Burlington tonight. I know, I did that yesterday.

Thank you, Mr. Judge. I have one other question. Before, as you were talking, Mr. Elwell, you spoke about how we want to move out of declining industry and you talked about the cost of water systems per capita.

Do you find that cost of water systems per capita is less in a small town than it is in the larger cities in America?

Mr. ELWELL. Quite to the contrary. It's generally more expensive in the smaller towns primarily because of distances. We are not built like New York where you can support 10,000 people in a city block.

Senator ANDREWS. On the whole, water systems, transportation, parks, police protection, all the rest, cost less to sustain an individual in a small town overall than it does in a big city. That's the point I was trying to make.

Mr. ELWELL. Yes, indeed.

Senator ANDREWS. So, the Federal Government could in the long run save money from the projects they would have to make payments to in order to facilitate living in the larger cities by encouraging people to stay in the smaller towns rather than forcing them, by not having the right kind of a water system, to move to a large city. Inevitably it's going to cost more in a small town than it is in a large city.

Mr. ELWELL. That's correct.

Senator ANDREWS. That's the thing I wanted to get in the record.

Senator LEAHY. Let me ask you one other question. When we talk about this and you see, certainly down in Windham County, a lot of people coming in from urban areas, do you find as people come from a large urban area to a small city that they lower their sights on what they want or do you find they still want the police protection, the water and sewer and all the other things they were accustomed to in the larger urban areas?

Mr. ELWELL. Well, it varies, but fortunately most of them have done their research and they are pretty much aware of what rural living is like in Vermont, and so we have not had I guess a lot of pressure for expanding services beyond what most Vermonters think are necessary basic services for the communities.

I think in Brattleboro we have been more supportive because of the kinds of people that have moved into the area. This goes back for many, many years, 50 years or more, that have brought some different ideas and different desires and been willing to go out and work as citizens for them without requiring tax money for them.

Senator LEAHY. I realize, Jack——

Mr. BARRY Three minutes left in questioning.

Senator ANDREWS. Let me run one quickly by Dr. Murphy. You talked about colleges not graduating enough young Americans trained in the sciences particularly.

Dr. MURPHY. Yes, sir.

Senator ANDREWS. You point out an instance of one relatively large college that only graduated five people in education in science. Why is that? Because market demands arent' there, job opportunities for them when they graduate, or is the study too hard or don't we have the proper kind of instructors? Why is this?

We have to have scientific training. Maybe it's because there just isn't a job demand.

Dr. MURPHY. I believe there is a job demand out there, but I don't think that early on students are turned on, that it's made attractive.

Senator ANDREWS. Then what you're saying is the basic education base in high school, maybe even grade school is not such that they feel comfortable in a scientific curriculum in college even though there is more demand for the college graduate with science training?

Dr. MURPHY. Not only that, as I addressed the disparity from town to town there are many high schools, let's say even in New England outside of Vermont, that in one high school they will offer the upper division math courses and science courses, and in another high school they won't be able to afford them. So——

Senator ANDREWS. The young students get into the college and find themselves wanting to take these courses because there are more job opportunities for the science trained graduate but unable to feel comfortable because of their prior education?

Dr. MURPHY. Absolutely, correct.

Senator LEAHY. Doesn't that create a problem, too, if we want to go and retrain workers? My sister works in adult basic education and I'm just shocked at the number of adults who really cannot read or write. We are talking about having to forego many of our old industries and move to new industries. Aren't we really working at a disadvantage in being able to retrain people because of the same thing we have talked about here tonight?

Dr. MURPHY. That's why I think it's important for education to come down from their so-called hill and come into the plant and do so much of their work there.

Senator LEAHY. I couldn't agree with you more. I see Jack Barry giving me that kind of nervous look.

Senator ANDREWS. That's why I gave you the gavel.

Mr. BARRY. We'll put down the gavel with our thanks to the economic development panel and we now have some callers on the line for you. We will get to the telephone.

I would like to ask each of the callers tonight to please identify yourself, let us know where you are calling from, and then when you have completed your testimony, please stand by on the line in case Senator Andrews or Senator Leahy has a question for you.

All right, go ahead please.

TESTIMONY OF SARA NORTON, NATURAL ORGANIC FARMERS ASSOCIATION OF VERMONT, PLAINFIELD, VT.

Ms. NORTON. I am Sara Norton from Plainfield, Vt., and speaking for the Natural Organic Farmers Association of Vermont. We are a nonprofit membership organization based in Vermont.

Before I start my testimony, I would like to congratulate Senator Leahy for sponsoring the Innovative Farming Act of 1982 which if passed will help small farmers in organic farming.

In rural areas our economics, our quality of life and our communities are strengthened when the economy is based on local resources. In Vermont, this is our land and our people. Our goal should be to develop a strong agriculture to provide for Vermont's varied food needs.

Studies of soils and crops show that Vermont's prime soils can produce vegetables, northern fruits, meats, dairy products, and grains to feed more than our population. This means that Vermont could actually export food to the rest of the Northeast.

What is inhibiting this? One factor is the market structure. We need to improve this structure to accommodate the local growers. We need

more than just little hats and little paper bags promoting Vermont products. We need to address the whole supply structure supplying our supermarkets and retail stores.

We need to address the food industry. We need to establish food processing facilities in Vermont. Our present Vermont Industrial Development Authority is biased toward encouraging the establishment of other types of industry, not industries that would use our own land and the skills of our own local people. Why is this?

The other principal resource in Vermont is people. Our recent survery shows that the outstanding obstacle that most of our members face for the expansion of their diversified farm organizations is financing and markets. Most people responding to the survey want to expand. For many people who wish to enter farming, their major obstacle is financing land acquisition and start-up costs.

Vermont has the land and the people. What we need is an appropriate economic structure and food system that supports a local diversified agriculture. Thank you very much.

Mr. BARRY. Please standby on the line, Miss Norton. Any questions from the Senators?

Senator ANDREWS. I think what she says no one can disagree with and probably the best way to facilitate the small organic farmer is through the operating loan farming bank or window of the Farmers Home Administration.

People are buying land not to produce for agriculture, they are buying it as a hedge against inflation and it ends up costing about three times as much as you can justify and what you can produce. How you solve that problem, I don't know.

The operating loan funds is something we can solve through Farmers Home.

Senator LEAHY. I think interest rates have got to come down so we can get ahold of the land, but we also have to have policies that say if you have agriculutre land, it stays as agriculture land.

Senator ANDREWS. I think that goes to your local tax base however.

Senator LEAHY. But we have done something with our environmental laws and tax laws in this State that have helped that. I know we want to go on to the next call, but Miss Norton has really done something historic. She's the first witness ever to appear on the transcript of a U.S. Senate hearing by telephone.

Senator ANDREWS. That's really the natural way.

Senator LEAHY. And I appreciate very much the testimony. It is good testimony. It bears hearing and certainly as a Vermonter, if I can step out from being in the Federal role and just go into the parochial role of one of the 50 States, I certainly would like to see us in Vermont in the position to once more be able to export a wide diversity of food. We used to. As a State, I think we would be greatly helped if we could do it again.

Mr. BARRY. Thank you, Miss Norton. All right, now let's go right on to another call and we say to this caller, again, please identify yourself, where you are calling from and standby on the line in case you have a question from Senator Andrews or Senator Leahy.

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TESTIMONY OF NOAH THOMPSON, COMMUNITY AND RURAL DEVELOPMENT SPECIALIST, EXTENSION SERVICE, UNIVERSITY OF VERMONT

Mr. THOMPSON. Yes. My name is Noah Thompson and I live on Bixby Hill Road in Essex, Vt. I'm a community and rural development specialist with the Extension Service of the University of Vermont and I'm speaking as such.

I work in Addison, Chittenden, Franklin, and Grand Isle Counties with some statewide responsibility. Much of my work is to provide information and education to meet the needs of locally elected and appointed town officials, so my pitch is for that.

The needs relating to local government can be overwhelming. There are many current and emerging complex issues and problems requiring a wide range of knowledge and understanding. Some of the critical ones are: Managing a tight budget, highway and back road maintenance, police and fire protection, water and sewer, land use, housing, immigration, jobs, personnel management, citizen participation, and many others. Also, many of these issues must be resolved or addressed in cooperation with Federal and State government.

The average town official serves as a volunteer holding a full-time job outside his or her official capacity. Many of the smaller towns, at least, have no paid administrators other than a town clerk or a superintendent of schools. Therefore, town business and policy decisions are often conducted under less than ideal conditions.

The result of the statewide survey conducted through town officials and comments gathered from recent conferences and seminars indicate the need for more or expanded town officer training and educational programs.

The extension service, with its rather limited resources and with cooperation from State agencies and other organizations, is trying to meet this need, however, it is only able to scratch the surface. Additional support and funding would help local government become more effective in meeting the complex issues they are facing and will be facing in the next decade.

Thank you very much.

Mr. BARRY. Any questions for the caller?

Senator LEAHY. Well, I have one if I might. Would it be safe to say, Mr. Thompson, that one of the problems you face is the complexity of State and Federal regulations? You mentioned most of the people in small towns—I'm sure it's the same in North Dakota as in Vermont and everywhere else—are really there on a volunteer, at best a part-time basis? Is that complexity of our State and Federal regulations a real problem for you?

Mr. THOMPSON. I think that is part of it. There is so much out there. There are so many things they must look at and they are—a lot of people in the small towns are, as I said, volunteers. They have another job. They come to their meetings to conduct their business and there are so many overwhelming issues.

I guess the Federal and State regulations are just part of the picture. They do enter into it because so many things do involve the State or Federal guidelines.

Senator ANDREWS. I think Mr. Thompson made an excellent statement, but let me ask one question. As an extension agent, do you feel working for the extension service that with today's complex and numerous regulations, as well as what has come out of your local land grant institution here, that there is simply more information that you ought to be able and your colleagues ought to be able to share with the farmer, the small town people in Vermont and you're simply not able to get that amount of information out?

Mr. THOMPSON. I'm sure that's very true. We are just so limited on our personnel that we have working in the field that go out and work with the people. We are very limited there, so I think this is a real problem.

Senator ANDREWS. Do you do any of this work through the medium of television? Does the extension service bring some of this information out through your public television station such as we are tonight?

Mr. THOMPSON. Well, not too much as far as what I'm involved in. We do have our program which has a very large following, but most of the work I'm talking about is through seminars, workshops, or conferences where we try to gather the people in and bring in the resource people to talk with them.

Mr. BARRY. Thank you, Mr. Thompson. We are going to move along to another telephone call.

Good evening, you're on the air. Please state your name and address and stay on the line, please.

TESTIMONY OF LARRY RICE, MEMBER, ADDISON COUNTY CHAPTER, NATURAL ORGANIC FARMERS ASSOCIATION, ADDISON, VT.

Mr. RICE. Larry Rice from Addison, Vt. Gentlemen, I'm a member of the Addison County Chapter of the Natural Organic Farmers Association founded in 1971. We have met to discuss our views of agriculture and our support for a viable approach to the dilemma of rising food costs and diminishing returns to the farmer.

We of the Addison County Chapter of the Natural Organic Farmers Association support the following as a means to continued farming on this Earth, a limited resource: We endorse the reestablishment of a regionally based food system; we endorse biological husbandry, which is the sustaining of soil fertility by increasing the humus content; we endorse nonexploitative labor-intensive farming, utilizing human and animal power; we endorse the reduced use of soil poisons; we endorse the free enterprise system of agriculture including the right of farmers to make a decent living from farming.

On behalf of the Addison County Chapter of the Natural Organic Farmers Association, I thank you.

Mr. BARRY. Thank you, Mr. Rice. We are going to move along. We have some other people and we are running a little short of time in this call-in portion of our program, so, again, we say good evening, you're on the air. Please state your name and address.

Mr. BEVINS. Senator Andrews, Senator Leahy, good evening, gentlemen.

Senator LEAHY. Good evening.

TESTIMONY OF MALCOLM BEVINS, ECONOMIST, EXTENSION SERVICE, UNIVERSITY OF VERMONT, AND MEMBER, LAMOILLE COUNTY DEVELOPMENT COUNCIL

Mr. BEVINS. I'm Malcolm Bevins. I'm a resident of Cambridge, Vt. I'm on the board of directors of the Lamoille County Development Council, our county regional planning commission, and I'm also an economist with the Extension Service of the University of Vermont. I've asked for the privilege of submitting a statement to the Senate Committee because I feel strongly that many of the ills of our rural areas would be alleviated if the problems of small business in rural communities were addressed.

Nine out of ten business farms in Vermont employ fewer than 20 people. This is small business. Small business provides jobs for rural residents. The employees of rural small businesses spend their earning in the rural areas in which they work and live.

A mulitplier effect of such money movement is the key to the vitality of the rural areas. This doesn't mean that everything is rosy in rural Vermont. Small businesses are facing an extraordinary high failure rate. Only 1 in 5 really turns out to be successful. I know, I work with these people everyday.

The leading cause of small business failures, I have found, is the lack of managerial skills. On an optomistic note, I have found that rural business persons are eager to learn. Most don't have the time to go away to college to refresher courses, but they will give up a few hours a week to attend educational workshops such as the UVM Extension Service can offer.

Educational programs serving the needs of the rural small business persons are a must. We in the extension service stand ready to bring these campus developed programs to the people of the State, however, educational programs with the business sector will die if support is missing at the highest level. It is for this reason that I make a strong plea to the committee to support business educational programs in rural areas to the highest degree possible.

Thank you.

Mr. BARRY. Any questions for Mr. Bevins?

Senator ANDREWS. Excellent statement.

Senator LEAHY. I think Mr. Bevins' statement speaks well for itself. It brings out the fact, again, that if we don't support business rural areas are going to die.

Mr. BARRY. OK. I think we have time for one more call in this segment. No, apparently we don't, so we are going to move along and we want to thank you—I'm sure Senator Andrews and Senator Leahy would like to thank you, the members of the environmental panel.

Senator LEAHY. I really appreciate it. I know you have come from all over the State to be here. I thank you for coming and, again, I hope you appreciate the fact that we kept the snow in Washington and kept the roads clear here in Vermont.

Mr. BARRY. We are going to present our next panelists just momentarily, but, again, a reminder for those of you who would have liked to call tonight to make testimony to this committee hearing tonight, you have 2 weeks to submit written testimony. You may write out your testimony and you have 2 weeks from tonight to do that, and we

merely ask that you send it to Committee Hearing, attention Senator Patrick J. Leahy, Washington, D.C. 20510. Remember, you have 2 weeks to do that, so we hope if you have testimony that you would like to offer, you get to it and get it into Washington as quickly as you can.

Now, Senator, back to you and our next panel.

Senator LEAHY. Thank you, Jack. I just might mention a housekeeping thing on this. A record is being kept of this. The transcript will be sent to each of the people testifying so they can get a chance to check it over. I think we are fortunate for the stenographer who is keeping up with this. We have never had a hearing where a stenographer has to listen to those of us here, the regular panelists, and somebody calling in and she's doing it very, very well.

The record will be kept open for 2 weeks. It also means that if somebody has testified here in person or over the telephone and afterward thinks of that one last thing they would like to say, they will be able to add that in too.

Our next two witnesses are good friends of mine. George Dunsmore, commissioner of agriculture for the State of Vermont, is not unused to testifying both in the Senate and the House. He has worked both as one helping to propose witnesses when he was a staff member of the House of Representatives, and now as a witness. Ronald Albee, of course, is the executive secretary of the Green Mountain Federation of Dairy Farmers. Mr. Albee has testified for us before. He has met with not only myself, but with other members of the Agriculture Committee and staff and I'm delighted to have both of them here.

Mr. BARRY. Mr. Dunsmore, why don't you begin.

TESTIMONY OF GEORGE DUNSMORE, COMMISSIONER OF AGRICULTURE, STATE OF VERMONT

Mr. DUNSMORE. Thank you, Senator Leahy and Senator Andrews, for the opportunity and also for the uniqueness of this setting giving the opportunity to Vermonters to call in and share their concerns with Congress.

In any discussion of agriculture in 1983, I see the encouragement and the linking together of marketing and commodities leading the way to a better future that will be more profitable for the producer and at the same time of more benefit to the food consumer to bring to them products that are more nourishing, and they will have a higher value in the importance of marketing and that will be the general theme of my remarks this evening.

In fact, when I speak of the dairy surplus and the Government efforts to reduce it, the 50 cents and possibly the dollar tax per hundred milk as a way of discouraging production, I think the value of marketing and promotion in the dairy situation is not so much one of overproduction, in my opinion, as it is maybe one of underconsumption.

There is a concept being shared with Congress at this time and I support that concept tonight. I will discuss it along the lines of an 85/15 plan. Senator Leahy, you have introduced a 95/5 plan. Regardless of what the exact purchases may end up being, I think it is that approach that is necessary. The 85/15 alternative has the most favor

with those who would maintain their current production and choose to pay the assessment or to hold their production, and thus get a rebate of 85 cents out of a dollar, but maybe one of the more important areas of this concept is that it would make it necessary for everyone to share in the promotion.

The 15 cents per hundredweight allocated for dairy products could, if utilized properly, move at least an additional 6 million pounds of milk annually once it got up to speed.

According to current estimates, the dairy industry is being outspent in promotion by almost 50 to 1 by its competitors who peddle nonalcoholic drinks such as soda and coffee and their nonalcoholic cousins. A closer look at these products show up the total promotional spending was about $39,500,000. By comparison an unaudited ballpark figure for nonalcoholic beverages shows $658,900,000 was spent or a spending ratio of 20 to 1 over milk.

In the meantime, the same statistics show us that the merchants of alcoholic drinks spend $938 million or a ratio of 29 to 1 over milk. That is a lot of burps. A lot of dollars per bull. As Elwood Kilpatrick has stated, with those kinds of promotional figures against us, it's a wonder we sell any product at all.

The 85/15 plan would help us begin to whittle away at this imbalance. At a time when government is trying to depress the production of milk, we just cannot ask any more from the dairy farmer. At the same time we gear up our dairy promotional efforts, we must also be futuristic in our thinking and use research to generate new products that will appeal to the consumers' palate.

We must also look to enhancing market potential for all our agricultural products. Thus, in developing projections for the next 2 years, the Snelling administration is proposing a far-reaching plan to assist in the long-term growth of diversified production in Vermont that has promotion and marketing. Two key ingredients of effective promotion is critical to the strategy of this long-term growth and, therefore the department is working with commodity promotion boards in several segments of our agricultural industry. These include maple, lamb, honey, Christmas trees, and the nursery business.

One of the State's most effective promotional tools is our seal of quality which can encompass most Vermont agriculture products. The seal cannot only bring added value to Vermont agriculture products, but can add fallout benefits to every product category and group. The seal of quality will be used to ensure the consumer that Vermont products will continue to reach or even exceed the State's tradition of exceptionally high standards.

There are areas of government in marketing that have shown some victories and with more cooperation there can be even greater gains.

Thanks in part to intergovernmental cooperation, there has been a 15- to 20-percent increase in sheep population each of the past 4 years to where we have now regained a sheep population of somewhere between 12,000 and 15,000 animals here in the State. This growth is expected to continue, but there are some hurdles to be overcome if there is to be a coordinated effective marketing plan.

It would be most helpful if meat inspected by a State or Federal cooperative programs were treated equal to federally inspected meat, and thus allowed to move to markets across State lines. This also may ever we have a chance.

be an area in which modern technology such as telemarketing can play an important role.

While I speak of intergovernmental cooperation, I can point with pride to international cooperation that is being spearheaded by the New England coffer and the eastern Canadian premiers who have placed agriculture concerns high on their agenda of regional deliberations.

Here too the U.S. Government must keep an open mind relative to policy changes for international, regional cooperation. As always the role of government financing institutions and agriculture is most vital. When it comes to financing, the time for the idle spectator is over. With the exception of special cases, such as young people getting started or hit by natural disaster, farm credit is for those who can well demonstrate future payback ability and that is as it should be.

Having said that, I would ask that the Farmers Home Administration consider rule adjustments that would consider the diversity of today's agriculture. There should be access to the FmHA funding for those who engage in agriculture for income supplement. These part-time farmers are becoming more and more important to the product mix in our State's agriculture industry. Thus, the Farmers Home Administration should be looking at diversification as well as its function as the financer of last resort.

In conclusion, I would emphasize the following points for committee consideration: One, passage of the 85/15 plan or something along those lines as a way to meet the problems of underconsumption of dairy products by encouraging lower production levels while at the same time providing financing for necessary promotional and marketing activities.

Secondly, Federal encouragement for research and development of new agricultural products which not only enhances markets for the producer, but meets the nutritional needs of consumers. And, also here in Vermont there is a specific and a unique type of research that I think we need to be very concerned about and I would like to ask you to address yourselves to and that is maple research. We are the last real maple research center in the world, and the Aiken Research Lab was established, its direction has been changed, and we have the Proctor Research still remaining at the University of Vermont research station, and we need to give that solid support.

Senator LEAHY. Incidentally, when you mention that international cooperation has been improved among the governors of the region and the premiers of the various Canadian Provinces, does that extend to the problem of the dumping of maple products from Canada into Vermont or is that one of the areas of cooperation that's broken down a tad?

Mr. DUNSMORE. Well, that's an area where we have enacted new legislation here at the State level to try to at least get our processor factors for dealing with a product out of Canada to be truthful in the manner in which that product is labeled, but that is not certainly one that is high on the list of cooperation at this point.

Senator LEAHY. Of course, I should add, Mark, that anybody who tastes Vermont maple sirup as compared to anything else would understand of course how much better ours is. That is one of those parochial comments we like to get in the Congressional Record whenever we have a chance.

Senator ANDREWS. That's just one of those certainties.

Senator LEAHY. That's one thing we can——

Senator ANDREWS. George Aiken came out to our farm in North Dakota after he made a speech to a farm bureau conference I think in the late fifties, and we had him over for a cup of coffee and after that they sent us a can of Vermont maple sirup, that was 25 years ago and our family has been hooked on it ever since.

Senator LEAHY. I must admit that Senator Andrews told me this afternoon, he said before we go ahead with this program, he asked me, "Now, have you told everybody in Vermont that I'm coming?" I said, "Yes." He said, "You would be very embarrassed if I didn't show up." He said, "Before I go on, you're going to give me some maple sirup before I leave."

Senator ANDREWS. You read in the newspapers that every Senator has his price.

Senator LEAHY. That was it. He's going to get Vermont maple sirup before he goes.

Mr. DUNSMORE. Third—in summary, the third point is to enable interstate meats from Federal and State cooperative inspected plants to gain equal status with federally inspected meats.

Fourth, I would like to see encouragement of redirection of Farmers Home to take a look at the supplemental part-time producer in a more positive manner, and, again, I really want to thank you for the opportunity and for the opportunity of having all Vermonters participate.

Senator LEAHY. Thank you very much. Mr. Albee, would you like to give your statement?

TESTIMONY OF RONALD ALBEE, EXECUTIVE SECRETARY, GREEN MOUNTAIN FEDERATION OF DAIRY FARMERS

Mr. ALBEE. Thank you, Senator Leahy and Senator Andrews. I'm pleased to have the opportunity to appear before you this evening. This is a historical night.

I have been directly or indirectly associated with the dairy industry in Vermont for the past 10 years in a professional capacity. I cannot remember a period of greater uncertainty facing the dairy industry in the State during the past 10 years.

Vermont dairy is important to the State. It accounts for approximately 90 percent of our agriculture income. Thus, the steps which Congress takes this next year will be very critical to the State of Vermont.

Starting in April, every dairy farmer in this State will have $1 per hundredweight deducted from his or her milk check. The legislation providing for that assessment has been attacked as unjust and unconstitutional. My association did not take a position against the assessment because we felt it was more important to develop a positive alternative to the surplus problem. I do not argue with those who say that the present assessment is inequitable and that will seriously affect dairy farmers.

A recent study by Cornell University indicates that New York dairy farmers will witness severe cash flow problems with the dollar assessment. The dollar assessment will cost dairy farmers in Vermont and

the Vermont economy approximately $20 million annually. We believe any program which you people consider should meet two important conditions: (1) it should be equitable, and (2) it should enhance demand for the dairy products.

I'm sure each of you know it is very difficult for the dairy industry to arrive at a concensus. The regional differences are too great. I believe that there are only two means available in order to solve the problem. We can either expand demand or reduce the supply.

That may sound like an oversimplification and I apologize, but those are our choices. We strongly support the expansion of demand for our dairy products. We would like to see at least 15 cents of the present assessment used for demand enhancement as Commissioner Dunsmore suggested.

According to industry estimates, the money will generate approximately 5 to 6 billion pounds of additional commercial use. That is approximately half of our present surplus. We believe that the additional 200 million generated will allow the industry to start to control its own destiny.

Second, we believe that a program should be equitable. Those most responsible for the surplus should assume the responsibility for correcting the problem. The present dollar assessment makes all farmers bear equally for the present surplus. A farmer will only receive a rebate if he reduces production by the amount of the national surplus.

We had discussed a change to the existing legislation with Senator Leahy which would have provided a rebate if the farmer reduced in a given year, 1982 or 1981, whichever was chosen. Thus, those farmers who would not increase production would automatically receive a rebate.

Several alternatives are now being considered. The California and Southeastern farms are supporting price cuts. I know there are farmers in Vermont who may support such cuts. We have not supported such cuts because the magniutde required to reduce the present surplus is far too great. We also do not believe that such a cut would provide an equitable solution in the presence of the surplus problem.

National Milk just passed a modified paid diversion plan. The plan provides for two-tiered price for farmers. The plan also calls for a fee of 15 cents for promotion with credit provided for the amount spent on promotion.

In ending, I should like to say that we recognize the Government cost for the dairy program must be reduced. We have appreciated the valuable assistance provided by Senator Leahy in the past and we look forward to assisting him in the future. Thank you.

Senator LEAHY. Before Senator Andrews starts with a question, I know of nobody on the Senate Agriculture Committee who first has I think fewer dairy farmers in the State but is more knowledgeable in dairy matters than Senator Andrews has been. Nor has anybody been more supportive of dairy farmers and their interests. Senator Andrews has been very helpful, especially in the last couple of years. In that regard, I'll turn it to you.

Senator ANDREWS. Serving Congress is a continual educational process, and I would like to educate my good friend and colleague; when I landed last night in Boston and turned on the television set, there was an ad about Land O'Lakes butter and Land O'Lakes products, and I just want you to know——

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Senator LEAHY. I'm about to be educated, I can tell.

Senator ANDREWS. How do we take care of the problem in dairying? I gather that you're interested in setting a base for each farm. You have to have a base, you can't cut that.

Now, I have talked to a number of different dairy groups in the last 5 or 6 months and almost invariably I heard them say, we don't want any specific base set for a farm.

Is that something different in Vermont? Would farmers in Vermont just as soon have a fixed base, so much hundredweight per year production as a base?

Mr. DUNSMORE. Well, I feel that I have spoken to several groups and for the first time seemed to get some unanimity on the question, that although they don't want to settle in on any single year, there's an agreement that we would be willing to live with a base period.

Senator ANDREWS. And they would get frozen into a base and they would have to get part of a base from a neighbor if they wanted to add a few more cows?

Mr. DUNSMORE. That's correct, but in discussing that base, they are thinking of it in not more than a 2- or 3-year timeframe to take care of the problem. By the time the 1985 farm bill comes around, they think this problem will be under control and that we can go away from that idea of a base. But, I think they are more interested in maybe an average of certain marketing years rather than zeroing in on any one marketing year. We have talked all 1980, 1981, and 1982 marketing years, and it's not easy to arrive at a concensus on that subject.

Senator ANDREWS. What do they think of the feeling of the idea expressed by some cooperatives that the farmers and their co-ops will absorb any production over the 3.5 billion pound surplus that we had 7, 8, 9, 10 months ago, and either give it away to charitable organizations or sell it overseas for whatever it would bring? In effect that would mean that the dairy industry, the farmer, the co-ops, or other groups would have to bite the bullet of 5, 6, 7 percent of their production and get whatever they could for it, but there would be no control.

What type of a reaction do you get from that?

Mr. ALBEE. I think if we polled the Vermont farmer we would have a negative reaction, probably more so in New York State than here. A large percentage of our farmers are members of cooperatives. New York State is 50/50. The co-op would argue they are paying the cost for the independent farmer, the farmer who doesn't join the co-op and they shouldn't bear the burden. That's the reaction.

Senator ANDREWS. And their concern is how do you transmit it back so all the farmers share the problem.

Mr. ALBEE. That's right.

Senator ANDREWS. Let me ask one final question. We mentioned maple sirup and maple sirup gives me the opportunity to ask a couple questions about Canadian imports into this country. Maple sirup, is it subsidized by the Canadian Government?

Mr. DUNSMORE. The answer in short is yes, we perceive it is quite heavily in a number of ways.

Senator ANDREWS. An export subsidy?

Mr. DUNSMORE. No. It's the Canadian producer was given 75 cents per cap a couple years ago to upgrade his system to modern technol-

ogy; research osmosis units, new sugar houses, low-interest loans to put up facilities, that type of thing. That's quite an edge on our producers.

Senator ANDREWS. So, in effect he gets a direct subsidy from the Government, 75 cents per, that is a one-time deal?

Mr. DUNSMORE. That's a one-time deal.

Senator ANDREWS. What about quality standards? Does the Canadian sirup that comes across the border, does that have to be the same quality standard as the Vermont maple sirup is?

Mr. DUNSMORE. Yes. We don't have much argument with their quality.

Another thing that's making it very difficult right now, though, is the strength of the dollar and the difference of 20 to 25 cents difference.

Senator ANDREWS. We in the beef industry are particularly interested in quality because I know they can bring in frozen beef from foreign countries and the stuff comes in frozen half-ton blocks almost off the ship. There's no way you can do the inspection.

Our Senate colleague from Montana introduced legislation that would say that all of that meat that is imported, when it comes in has to be subjected to the same kind of inspection that the meat produced here in the United States is subjected to. That would get rid of an awful lot of imports because they have to thaw it out. They would thaw it out on the dock side.

Senator LEAHY. I don't think I would want to see it.

Mr. DUNSMORE. One additional problem we have experienced in the last 2 or 3 years has been caused by just a tremendous crop 2 years ago, both in Vermont and Quebec, of very high quality fancy sirup, and, traditionally we have looked at the Quebec market as handling more of the processing grade or the lower table grades and Vermont has been looked to as a very—as the fancy, and then when that imbalance took place a couple years ago, it's going to take awhile to get it back because Vermont's the No. 1 State in the United States in maple production, but Quebec outproduces us by a considerable amount.

Senator ANDREWS. You also have a problem in this cross-boundary movement of farm products similar to ours in North Dakota herbicides and pesticides.

The Canadians use particularly effective wild-oat herbicides in the prairie provinces out there that are manufactured in Europe. The EPA says we can't use it. It saves them probably $8, $10 per acre to use it. They use it on their wheat. That wheat is then used in the United States and goes along just as though it was American wheat, but we lose the competitive edge.

Mr. DUNSMORE. The way you explained it does add up to the same competitive disadvantage for Vermont.

Senator ANDREWS. They can use things that we can't use and then they can market their product in the United States as though they were produced here.

Mr. DUNSMORE. That's right. They come south with very little obstacle.

Senator LEAHY. I wonder if I might ask one question. I'm going to be talking about the 95/5 and 85/15 plan and all three members of the delegation are working together trying to get some Vermont legislation in.

We would rebate 95 cents of the dollar fee that the USDA is going to take from dairy farmers. If they cut production back to the 1980 levels, 5 cents would go into promotion and I think we all agree we have got to promote the consumption of dairy products.

Then there is a paid diversion program that is being discussed by the National Milk Producers Federation. I understand what they are talking about would pay dairy farmers $10 per hundredweight for milk that they contract not to produce, and under the terms of mine, if they went back to 1980 production, they would get $13.10 per hundredweight.

Now, which do you think would be better? Under which one would the farmer be better off—the paid diversion program or if he or she were to go back to 1980 levels and have $13.10 or most of the $13.10?

Mr. DUNSMORE. From my perspecitve it depends on what the administration is trying to accomplish. If the program is too expensive now, if that is what they are concerned about, the budgetary outlays, then the use of the $10 division is not the avenue to go in my opinion, and we will have a certain lobby group get hold of that and spread it around the newspapers and the industry will have much more of a black eye than it has for the surplus that we are carrying now.

So, I feel that if we can generate the movement of that product through additional promotional efforts, that that would be a better solution.

Mr. ALBEE. To answer your question, Senator, I think the farmers in Vermont, all farmers in Vermont, with what's happening in production, probably would be better off with the 95, 85 program, whichever.

Senator LEAHY. I see. That is somewhat similar to what I have been hearing. In the last week and a half I think I have met with dairy groups all over the State, but this is a matter that we will have to have hearings on this year.

Senator ANDREWS. They will be long and they will be extensive.

Senator LEAHY. I think they will.

Senator ANDREWS. And controversial.

Senator LEAHY. Exactly.

Mr. BARRY. That about wraps up the time that we have for the agriculture panel, and now we are going to have those who wish to express their testimony to the Senators via the telephone this evening, so I'll go to our first caller.

Will you please identify yourself and where you're from and then please stay on the line for any questions the Senators may have for you.

TESTIMONY OF BARRY STERNS, DAIRY FARMER, PROCTORSVILLE, VT.

Mr. STERNS. Thank you. This is Barry Sterns and I live in Proctorsville, Vt. I'm a 24-year-old dairy farmer and I work on my father's farm where we are presently milking 45 cows.

I would like to comment on the agriculture system as pertains to dairy farmers. In my opinion the dairy farmers all over the United States would be far better served by the use of price support reductions rather than the 50 cents add-on charges which are now being charged on dairy farmer paychecks. I think that with the use of the

50 cent surcharge that encourages us to become less productive and probably less efficient. This would pass on some savings to the consumer and help stimulate sales as well as balance out throughout the Nation as to the cost of producing these products and would not give the advantage to the part of the country where the cost of producing milk is cheaper than it is in our State or in other States.

The Federal Government should also reduce the tax base incentive which goes to farmers through income tax reforms to help cut back on the surplus. This way it would help every farmer because the way they are going about it right now is going to benefit the people who are farming for the tax writeoff only. In my opinion these farms are probably less efficient than average anyway.

Also, the current economic situations in this country have caused reduced consumption of fresh red meat, so if and when the recession turns around, it is bound to increase cattle prices which will help reduce the surplus.

I also feel there should be closer monitoring and adjusting of the price support system to alleviate a surplus and, finally, I would like to have Senator Leahy and Senator Andrews go to Washington and answer one question for Vermonters. Is the U.S. Government going to support a bureaucratic side economic proposal or a supply side economic program? Thank you.

Mr. BARRY. You hold on, Mr. Sterns. The Senators have a question for you.

Mr. STERNS. Yup.

Senator LEAHY. I know the seniority system. I'll let Senator Andrews start off with that one.

Senator ANDREWS. Well, I think one of the things that he brought up was a very important item.

They take the 50 cents off the farmer, but they don't give it on the tailend so the consumer benefits and you get the broadened consumption we need.

In fact, when the second one phases in they will be taking a buck out of the farmer and they're not going to give it to the consumer. So, they are not going to give that increase every study I have seen indicates you would get if you lowered the price of food and milk that much. So, it couldn't be a worse system.

It's got to be changed. I would imagine that's the feeling of the dairy people here on the panel as well.

Mr. DUNSMORE. That's right.

Senator LEAHY. In fact, it seems to take the worst part of every one of the programs that was even considered. It seems to have been jammed through in an almost hysterical atmosphere in the Congress partly because very few people understand how the whole dairy price support program works.

I know that during the lobbying on this and when the matter was up before the Senate, every single Senator received a copy of an editorial written somewhere in their State telling them why we had to make this change. I think that's going to happen again this year unless we set down, accept the fact that it was done wrong and try to revamp it.

I also agree with Senator Andrews when he said we somehow must help the consumer.

Senator ANDREWS. You know if they would just let the Secretary of Agriculture run the Agriculture Department, it wouldn't get fouled up.

Mr. BARRY. Thank you, Mr. Sterns, and we are going to—we've got a disconnect, I'm sorry. We will go to the next line and would you please identify yourself and let us know where you're calling from.

TESTIMONY OF PHILIP ROWELL, JERSEY CATTLE FARMER, ALBANY, VT.

Mr. ROWELL. I'm Philip Rowell and I'm from Albany, Vt. I just wanted to say good evening to Dr. Murphy and the gentleman there.

I'm a Jersey cattle farmer. My statement refers to the northeast belt. I feel there should be a base of 500,000 pounds of milk.

The bill as it presently reads, makes a penalty of any production over 1981 figures of 85 percent per hundredweight.

Now, if I sold my sons my farm, and that's what I intend to do, there are no provisions for a base. They would have to pay a penalty of 85 cents per hundredweight which is roughly $4,250 a year. However, the big producer that ships his 6 million gallons of milk a year, if they don't top their 1981 production, they won't be penalized one penny.

A base of 500,000 pounds is roughly a gross of $77,000. My question is, do either of you Senators have an amendment ready to protect this situation if the bill gets to the Senate?

Senator ANDREWS. I don't and Senator Leahy may. We haven't put an amendment together because we are just now in the new Congress. All of the regulations that are pending, of course, stop with the end of the old Congress, so we go into this new 2-year cycle. So, I would imagine we would be looking at 15 or 20 different amendments in this field by Members of the Senate Agriculture Committee within the next probably 6 weeks, but as of the present moment, I have no amendment prepared although my staff's thinking about two or three.

Senator LEAHY. I think what you're going to find is that some of the major plans are going to be discussed by the Senate Agriculture Committee. They are going to be the 85/15 plan, the 95/5 plan, and the paid diversion plan. Those will probably be the vehicle for discussion before the Senate Agriculture Committee.

I should also point out, however, this is the time when the various dairy groups are going to have to get together and try to work out some sort of compromise among themselves.

If we have a tugging and hauling of the various milk proposals and the people representing them before the Congress, I think we are going to end up with a piece of legislation and nobody's going to like it. There's no perfect piece of legislation that's going to come out.

There's not going to be one that's going to be totally acceptable to every region of the country because of the regional differences. I think there is enough dissatisfaction with what was crammed through the Congress last year, that there is at least an opportunity to put together some kind of a compromise package. I think it will be somewhere in the area of what we discussed tonight, but there is going to be an awful lot of testimony. There's going to be an enormous effort to get the dairy producing States together.

Unless the dairy producing States are willing and able to work out some kind of a basic compromise, then I can assure you that the groups that have fought against dairy interests in the past are going to win.

Mr. BARRY. Any further comment, Mr. Rowell?

Mr. ROWELL. No, there isn't. Thank you, sir.

Senator LEAHY. Thank you, Mr. Rowell.

Mr. BARRY. Mr. Rowell calling in from Albany. Now let's go to our next caller. Would you identify yourself, please, and tell us where you're calling from?

Mr. BRANDE. Yes, indeed.

Mr. BARRY. We have a disconnect.

Senator LEAHY. I must admit, Jack, I don't know how it sounds on the TV when they have a disconnect. Here it sounds like the walls are coming down.

Mr. BARRY. Maybe so. I certainly hope not. How are we coming? Do we have any further callers? Then we will hold on here for a second and see whether we get the call through. Dr. Murphy made her point, that's right.

Hello, you're on the air. Please give us your name and where you're calling from.

TESTIMONY OF JUSTIN BRANDE, CORNWALL, VT.

Mr. BRANDE. I'm Justin Brande from Cornwall, Vt., and I teach at the environmental program at the university.

I would like to ask the Senators specifically questions about the likelihood of success. Given the many longstanding, internal and external, deepseated problems that are in agriculture, what is the likelihood of any given legislative groups like this one being able to achieve lasting positive results?

Our agriculture has been suffering considerably from surpluses and low prices. Committees and agencies and special groups have wrestled with the agricultural problem for over 100 years. We still have this problem and it seems to be getting worse, not better.

If you read the agriculture papers of 100 years ago, they say exactly the sort of thing we are talking about tonight. Some of the problems we have now seem to be rampant soil erosion in all major agricultural areas. Soil is being lost faster than it can be generated. Most of our wastes are now being dumped or buried. Farms and farmers are going out of production. This is sadly indicated, of course, by bankruptcies, foreclosures, converting agriculture land to urban uses, industrial development and so on and so forth.

More and more management and control of farming is being given at least indirectly to banks and corporations. Artificial insemination and hybrid seed distribution systems would seem to indicate a very risky road to follow toward greater and greater situations with technological fixes piled on technological fixes.

In short, all the benefits seem to point to the development of a centralized urban industrial food production system. This would seem furthermore only to aggravate an already precarious top-heavy system.

There seems to be, therefore, no prospect for improvement if we simply continue as we have in the past 5, 10 even 100 years. Don't we need

to reestablish or at least work for a system of good, balanced, sustainable husbandry based on regional needs and capabilities, especially for our own basic food supplies and the recycling of our wastes to restore our soil?

If this is true, as I believe it to be, can your committee really make a start at this sort of regeneration of stable husbandry and the reversal of an exploitative agricultural system? Can we expect any really fundamental changes against our inability to achieve long lasting results for a sustainable agriculture? Thank you, Senator Andrews and Senator Leahy.

Mr. BARRY. Please stand by on the line. Maybe the Senators have a comment or question for you.

Senator ANDREWS. I think the key part of stable husbandry, of course, is the ability of the farm family on the land and we face a crisis right now in most farm families being able to stay on the land.

Let me look in my crystal ball a little and mine comes up shredded glass as often as anybody else's, but I'm a farmer, a third generation farmer, and our son's on the farm right now and I tell him this from time to time when he gets discouraged. It's an arithmetic thing really.

The time the Lord was here is 2,000 years ago. There was about 65 million people on this world. It took us 1,830 years to get to the first billion. We added the second billion in 100 years. We added the third billion in 30 years. We added the fourth billion in 15 years. This has been going through this history of agriculture.

Right now we have about 4.5 billion people in the world, and most population experts say we will double that population by the year 2010, 2015, within probably the age certainly of those young farmers on the land.

I think by the end of this decade we are going to be looking for production. We simply have got that many people on Earth. We have never had that problem before. We have used almost all of our land resources. The situation with the soil bank and the rest that we have used up in the prairie parts of our States, our United States have been used now, and we don't have that land resource to produce at these prices. So, I think that the stable husbandry you're talking about means the stability of the farm family on the land so they will be there by the end of the decade when I think we will have ourselves worked out of this situation. If they are not able to be there by the end of the decade, then it's going to be Katie bar the door because the type of corporate industrial agriculture cannot get the production that the farm family still gets. I don't care if you're talking about the corporation farm or collective or something else, it simply doesn't work and this Nation as we know it will be a much different country if we don't maintain those farm families on the land until such time as population demand catches up to the production capability.

Senator LEAHY. I think Mr. Brande raises the most important question that can be asked about the future of agriculture. But if there is the thought that perhaps our committee or any other committee in the Congress can answer all of those questions or insure the future of agriculture, we can't.

What we can do is try to change some of the policies that are cutting back on agriculture and causing the loss of land. All of us are Americans and are in this together. We are losing soil, we are losing farmland, we are losing farmers, and we are losing the expertise of

farmers. We are losing the incentive for people to go into farming, and once we lose those farms, once we lose that farmland, it's gone forever. We can never take it back from being a shopping center or whatever else it might be and put it back into farming. The security of this Nation is dependent on our ability to feed ourselves, whether or not we add another aircraft carrier or weapons like that. People are waking to that fact.

I'm more optimistic about the future and the future of farming now certainly than I was a decade ago because I think we are waking up to what we are going to lose otherwise.

Mr. BARRY. Thank you, Senators, and thank you, Mr. Brande.

OK, that concludes the agriculture portion of this hearing. I would like to thank Commissioner Dunsmore and Mr. Albee for being with us this evening, and we are going to move along to the next portion of our hearings this evening which deals with health and nutrition. We'll meet our panelists in a moment and we will talk to the people who have testimony to offer in a moment.

For those of you who may have joined us late this evening, if you heard something that would impel you to like to add your testimony to the transcript of this hearing this evening, you may do it by mail. You simply write out your testimony and send it to Committee Hearing, Attention Senator Patrick J. Leahy, Washington, D.C. 20510. You have 2 weeks from tonight's date to submit that testimony.

Now, Mr. Chairman, back to you.

Senator LEAHY. Well, Jack, I want to thank you and also thank our next panelists. They are Ms. Elizabeth Davis, who is the director of the Visiting Nurses Association of Vermont here in Burlington. Betty Davis and I have had a long association on rural health matters. I might say even back before I was in the Senate when my wife, who is a nurse, served on the board of directors there. She's one of the first people who testified and put together the Rural Health Clinics Act. I feel very comfortable seeing you back here again.

Dr. Roberta Coffin is currently the acting commissioner of the Vermont Department of Health. She's the director of medical services for the department. She's also the director of the WIC program, a program that I feel is probably the most successful nutritional program ever devised in any country at any time. I might say I think, Mr. Chairman, we are very fortunate to have both of these witnesses here.

Senator ANDREWS. Let me say that I'm used to women in medicine. My grandmother was one of the first women doctors in the country graduating in 1877, practicing medicine in New York City from 1877. They didn't really have an ERA in those days, so she went with her husband, who was also a physician, to Dakota territory 8 years after Custer got shot up where they respected women for what they could do.

We are pretty early for a lot of things in North Dakota and our daughter is following in those footsteps.

Mr. BARRY. Ms. Davis.

TESTIMONY OF ELIZABETH DAVIS, DIRECTOR, VISITING NURSES ASSOCIATION, BURLINGTON, VT.

Ms. DAVIS. Thank you, Senator Leahy and Senator Andrews, thank you both for the opportunity to appear at this historic hearing. I plan

to focus my comments on health concerns of the elderly particularly as they relate to long term care and wish to also raise the problems related to changing and inconsistent Federal regulations. I believe the latter has become a strategy for excluding eligible persons in need.

We have all been exposed to the statistics that point to the "graying of America" and I hope you will bear with me. I wish to repeat a few of those.

We know that by the year 2030 that almost 1 in 5 Americans will be over the age of 65, and that the over-85 population will comprise about 44 percent of that over-65 group.

We know right now that 22 percent of that over-85 population is institutionalized. We also know that 22.8 percent of Vermont seniors live below the poverty level, and we also know a higher proportion of the elderly live in the more rural parts of our State.

Regrettably, I believe that instead of forging stronger social and health policies and action in preparation for the inevitability of a much larger older population, we are now seeing an erosion of the progress that we did make over the last 10 to 15 years.

When I think of progress, Senator Leahy, I think of the components of the Rural Health Clinic Act which you sponsored in 1977 and which in particular, improved access to a system of health services for the rural poor; and I want to emphasize the word "system." It's no small component.

Also, when I think of progress, I think of that made is beginning to meet overriding needs of the aged and the disabled; that being adequate income, access to medical care services, and long term care.

Random Federal budget cuts and inconsistent rules, I believe, have begun to tear that system apart. Cost containment has become a valued outcome in itself, and, as a result, health and social values and standards have lost their place as primary objectives.

We are seeing Federal regulatory changes that are creating major bureaucratic system problems; regulations that have been counterproductive, have been costly, and have effectively excluded eligible persons from help and appear to have no basis in congressional law. And I think that's an important point.

Of course, I would be delighted to give you some examples during the panel discussion. It seems regrettable that this chaos in system breakdown is happening at a time when we have the knowledge of what needs to be done to improve the health status and quality of life for our aged population.

I would just like to suggest the following: First, we would urge the Federal Government to reassess and restate a well-defined health and social policy that would clearly articulate health and social values and standards which become the framework for budget and regulatory decisions, whether they are budget cuts or budget increases.

I think the critical issue, for example, in home care and community services which effectively delay or prevent institutional placement, is: How can these services be best organized to meet health and social policy goals with maximum efficiency and effectiveness.

Cost effectiveness then becomes a measured byproduct of such a system rather than a valued outcome in itself.

Second, we urge the support for services that promote independent living in the least restrictive setting possible as a priority in health and social policy.

Community services we know are very underdeveloped and those that are needed are very simple. They include things like health promotion and fitness programs for the elderly. They include sheltered housing alternatives, nutrition programs, transportation services, home health care services, homemaker services, mental health programs, adult day care and receipt services. There are probably more, all organized in a continuum with effective linkages.

These are very basic, concrete services which reach the most rural parts of our State and which have probably been the most deciminated by budget cuts and administrative rules. Also they unfortunately cannot compete with the drama of high-cost technology which appear to have a higher governmental priority and yet affect very few at great cost.

Third, we would urge some investigation into the Federal administrative and regulatory process which have increased bureaucratic burdens and costs and have not met the intent of Congress, particularly as they relate to home health care.

Fouth, of course, we would urge the elimination of random budget cuts on the Federal level which are erroding community services and therefore limiting the choices for our aged population.

I look forward to further discussion and continuing dialog on these issues. I appreciate the accessibility of both of you in Washington, and thank you for your interest and commitment to improved health services to rural Vermonters and the rest of the country as a whole. Thank you.

Senator LEAHY. Thank you very much. Doctor, could we have your testimony and we will start with questions for both of you.

TESTIMONY OF DR. ROBERTA COFFIN, ACTING DIRECTOR, VERMONT DEPARTMENT OF HEALTH

Dr. COFFIN. Thank you very much for inviting me to talk with you tonight about providing health services to women and children, especially those with low incomes who reside in rural communities.

The Vermont State Department of Health has the responsibility for newly created maternal, children and health programs, the immunization programs, and WIC, the supplemental food program for women, infants, and children.

Low-income women and children who are the special targets of these programs live all over the State of Vermont, not in just one area.

A number of years ago the health department combined these programs into one administrative unit to deliver them to Vermonters through 12 health department district offices located near population centers and as close to all Vermonters as possible. Not only did this make it easier for mothers and children to obtain health services, but the health department could stretch dollars from one program to others. The one thing we would not do was decrease the total dollars available.

The decision to create blocks at the Federal and highest organizational level is sound. Some economies of administration can be expected, but large Federal funding reductions of one-quarter to one-third of the total previously available dollars can only translate into decreased services.

The removal of some of the catagorical program requirement has indeed made some program cutbacks possible. However, the health department was also forced to close one of its 12 district offices. Morrisville and Lamoille County residents must now travel to Barre, St. Albans or St. Johnsbury in order to receive health department services or health department personnel must travel larger distances into Lamoille County. It is likely we will see fewer Lamoille County residents in health department programs than we would when we had an office in Morrisville. What difference does this make?

The great concern is the preventive health care such as immunizations, nutrition education, child rearing guidance, and health assessments will be postponed. Treatment services may then be needed for anemia, child abuse, neglect, poisoning, and, yes, sir, even preventable communicable diseases such as measles. Measles can cause ear infections, hearing problems and 1 in 1,000 cases possible mental retardation. As recently as 1980 Vermont had 926 cases of measles, the highest incidence of the disease per population in the United States. Last year there were three cases of measles in Vermont all contracted outside the country. No spread of the disease from any of these three cases indicates a very well immunized population.

I would like the Senate to know that we do not need a large amount of money or new money to control measles and other communicable diseases, but we must continue services to children born today and tomorrow. The United States cannot have an epidemic such as England and Japan have experienced when they relaxed their immunizations against whooping cough and many children became severely ill or suffered needless deaths.

Because of the health department preventive health care programs, access to an excellent medical community and other factors, Vermont can boast of an infant mortality rate which is the lowest ever, 7.9 percent infant deaths per 1,000 live births, and that is among the lowest in the Nation.

The challenge we face is to make sure all needy people continue to get those services which will assure this health status symbol. Some other States are already experiencing more infant deaths, a trend probably in some part at least related to the lack of affordable or available prenatal care and adequate nutrition for the mother and the infant.

The WIC program provides nutrition education during this critical prenatal, infant, and early childhood period of life. In Vermont, we have been able to assist all medically needy mothers and children who meet the Federal income guidelines which is above the poverty level. Nutrition assistance and education is provided to almost half the pregnant mothers of the State.

The challenge for the health department will be to continue this important service as people's income situations worsen since more apply for help but funding levels do not increase. Already we note an increase of 1,000 people since last summer alone.

The health department is committed to provide prevention, risk reduction and control activities aimed toward reducing the incidence of the major causes of morbidity or illness and mortality or death in the State. Heart disease is the No. 1 killer in people over 40, but heart disease begins much earlier. In many instances health habits may postpone or even prevent heart disease from occurring. Thus, part

of our WIC nutrition education concerns questions about family history of heart disease or high blood pressure and advice regarding use of salt, exercise, saturated fats, and optimal weight of mothers and children. Accidents are the greatest killer of people 1 to 4 years of age. Advice for accident prevention like proper seat restraint use in autos is regular health department conversation.

Vermont is fortunate in that the State legislature last year recognized that value of potential loss of these preventive health services to mothers and children. The child development clinic, handicapped children services and more health department district offices escaped closure only because of State funds directly allocated in lieu of Federal dollars. Thank you very much.

Senator ANDREWS. Miss Davis, you made an important point. One of the frustrating things for those of us who serve in Congress, and I'm sure must be frustrating to you out in the field, is to see a program working fairly well and somebody changes the regulation.

Some regulation writer, you don't know whether he's a Republican or Democrat, who's hidden away in some nook and cranny someplace, changes the entire way the program works. That frustration is shared not just in your field, but in hundreds of other fields.

Do you feel that you have input into these changes? Do you feel people listen to you when you say, hey, this change in regulation is idiotic, it's not responsive, it totally disrupts the thrust of the legislation? What happens when you get hit with one of those?

Ms. DAVIS. Well, to answer your question, I think basically no, we feel completely powerless.

Senator ANDREWS. What do you do?

Ms. DAVIS. Well, maybe if I could start with just one of the——

Senator ANDREWS. Do you call Bob Stafford or Pat?

Ms. DAVIS. We have called Pat several times and his office is helping us on a couple of situations. Unfortunately, the recourse primarily is for a family, in home care anyway, for the family themselves, to appeal what we feel might be an unjust determination in terms of reimbursement for medicare services.

Senator ANDREWS. You were talking about the regulation to more than just one family?

Mr. DAVIS. That's right. In home care, what is hitting us the most right now, is a change in how they have defined the term "intermittent services" and we have no input to that. It's an incredibly restrictive interpretation.

We are finding this year for the first time in our experience an actual decline in reimbursable medicare visits to the point where we will lose $80,000 to $100,000 in the medicare program this year, and at the same time, Congress thought they were liberalizing the benefits, through the Reconciliation Act of 1981.

So, indeed, the Federal rules have effectively eliminated basically what Congress had approved. There is obviously considerable support in Congress for home care. The frustration goes even farther when you see how counterproductive the regulation is or the interpretation of the regulation by the intermediary. For example, we have a patient who was admitted to the hospital with a severe stroke. He was then recommended by the physician to go to the rehabiliation unit for 2 weeks. He declined because he could no longer tolerate institutional care. He

was discharged home with our availability, with the physician's support, with the family's support, and so on. We provided usual and customary home care services. The intermediary determined home care services was an inappropriate level of care because that patient "should have" gone to the rehab unit, of course, at three times the cost. Home care reimbursement was denied.

Senator ANDREWS. Even though it was better for the patient, determined so by the doctor, by a staff, and by you in the field, and even though it was one-third the cost of further institutionalization, the regulation said you couldn't do it?

Ms. DAVIS. That's right. Although, even more, its the interpretation of the regulation. The regulation itself is often fairly vague in that——

Senator ANDREWS. In other instances have they interpreted——

Ms. DAVIS. Certainly. Across the country, there are gross inconsistencies in interpretations. I have talked to people in Connecticut, I have talked to people in Texas, I have talked to people in California and given them these same examples and they say it's outrageous. Therefore, one of the major problems certainly is the inconsistency in interpretations of what tend to be fairly vague regulations.

Senator LEAHY. Do you sometimes think that the people who write the regulation and tell you what the regulation is going to be, that they can go out and have to actually operate under those regulations for 2 to 3 weeks, in some instances 2 or 3 hours might even be an improvement over the situation?

Ms. DAVIS. I think that might be a very good suggestion. Not only is that part of it frustrating, but in addition, I think we have suffered more paper and other bureaucratic burdens in the home care program than we had prior to so-called deregulation.

Senator ANDREWS. That's one thing I hear so much in rural areas, what we have accomplished by deregulating. I think every one of us, Republican or Democrat, want to discuss regulation, we want to get away from it and yet I worry about what we are going to do in the rural areas. When they start in the deregulation business, they end up in more regulation, more ways to apply the regulation. Whether it's a farm program or food program or nutrition program, those regulators are the ones that really louse it up. I can't recognize my farm program. I have voted for five farm programs and I go back to North Dakota and my own farm and I can't recognize my own children. I have been one of the key authors of farm legislation for the past 20 years. I know what they do and I'm beginning to find out what they do in a host of other fields, but I have one other question for Dr. Coffin.

You talked about nutrition and nutrition research and I'm appalled at the fact we know more about pig nutrition than we do about people nutrition. I guess Time magazine keeps calling a pig pork, but the point still is that we have only scratched the surface in this.

Senator LEAHY. I was going to say——

Do you think that a broad expansion of nutrition education is an investment that could be highly worthwhile?

Dr. COFFIN. I certainly do. The thing that we have to remember about nutrition education is in humans we don't see payoffs for many, many years.

Senator ANDREWS. We sure do get paid off down the line.

Dr. COFFIN. That's what we would like to convince everybody that we will, and certainly our people that are receiving WIC tell us over and over again how they have changed their family's food habits and eating habits.

Senator ANDREWS. Doctor, do you in Vermont have some figures or statistics, and I won't ask you to give them now but you can include for the record on this committee's hearing on this, of what you think will be the payoff down the line of dollars invested in nutrition education later on?

Dr. COFFIN. Sure. We would be glad to provide them.

Senator ANDREWS. That would be very helpful to us.

Senator LEAHY. Along that same line, you might point out one of the things we found out in WIC hearings before, and give us some idea what the incidence of malnutrition, children treated for malnutrition, and infants treated for malnutrition prior to the WIC program.

We have one of the best WIC programs and the best involved ones. That shows a major difference. I worry so much when we save literally a handful of dollars in cutting back the WIC program and we just pay for it in decades afterward.

Dr. COFFIN. And we are doing well here in Vermont with the WIC program and children. We will do it much better in areas of the country where the health status is even poorer and I think it's an important program and should be available to all similar people.

Senator LEAHY. That prompts me to another question and it's something fixed again in rural areas. This is one area where perhaps Vermont is almost unique in trying to look a little bit like a microcosm here in the Burlington area where we are tonight. We have one of the highest doctor/patient ratios in the Nation, in the world here, and yet we go to the Northeast Kingdom, and for those who will be reading this record afterward, the Northeast Kingdom is a very rural area of the State of Vermont and has a real shortage of dollars out there.

There are health centers that are receiving Federal funds in an effort to keep health professionals in those rural communities. How do we encourage people, for example, in Vermont who study medicine here to stay and practice in the areas where we need it? How do we encourage medical professionals to go into the rural areas of North Dakota and all these other areas where they are sorely needed?

Dr. COFFIN. It's a challenge. I'm not sure we have all the answers. Obviously the rural health centers have provided a very good place for physicians to come and settle down and I think the important factor or one of the important factors is that many of the people there could not afford care that can be found in the larger cities, and the Federal grants have made it possible for these rural health centers to be financially viable without having to rely totally on fee for service basis.

I think also the fact they have some peer support, a number of other physicians around, not just one lone physician who has to be on call 24 hours a day, 365 days a year is a very important factor there.

Senator LEAHY. There is an example in the Rural Health Clinics Act. A lot of people here in Vermont, a lot of people around the country worked hard to get that enacted. One thing every single person testified to, whether a recipient of health care or not was that

this act is the one thing that is going to get health care in the rural area. It's going to simplify things. Then you talk about regulations. Regulations come out and just stifle it. In fact, regulations made some very good health clinics just close up.

Senator ANDREWS. We shut down the rural hospital because we couldn't get through the swingbed hospital, two-thirds of the hospital being a nursing care hospital and one-third an acute care, and in North Dakota then you have to drive 100 miles to get to a doctor.

We had that rule 4 years ago, that the only place you could have a baby was in a hospital that had what, 450 live births a year. Something like that.

I meant there are fewer places in North Dakota you could have a baby.

Senator LEAHY. Try to explain that to a mother on a winter's night.

Senator ANDREWS. Thirty degrees below zero, wind chill factor of about 90° below zero. We have health care clinics in small towns close in North Dakota. Beautiful facilities built by Federal tax money, local money, local subscription, two doctors, three doctors, no doctors. There are even whole counties without doctors in them out there.

So, we have facilities built. We just need the doctors.

Ms. DAVIS. Can I make a comment? The rural health clinic bill finally provided reimbursement for nurse practitioners.

Senator ANDREWS. The nurse practitioner is one of the greatest assets of this entire program. The other thing is the grant for nurses and we have, Senator Leahy and I—our colleagues have told us we don't need more capitalization grants for the education of nurses because we have so many nurses in the country. We have more than we need and all we need to do is to encourage them to come back in. If a nurse decides she wants to retire for awhile, have a family, or for some other reason—but I tell you, in that neighborhood or in that small town having a trained nurse as a neighbor is a great thing and having a nurse practitioner in one of those clinics when you can't get a doctor is a great thing.

Mr. BARRY. Let's move to the telephone portion of our program. We have a caller on the line. Will you identify yourself and where you're calling from, please.

TESTIMONY OF PAULINE HOLMAN, REGISTERED NURSE, BROOKFIELD, VT.

Ms. HOLMAN. Yes; good evening, gentlemen. My name is Pauline Holman. I'm a registered nurse and have been involved in nursing for about 35 years. I live here in Brookfield and at the moment am executing the hot lunch program at the Brookfield Elementary School.

Recently, there has been accumulating evidence that emphasizes the importance of updating the health professional's knowledge of eating disorders and the maintenance of health and treatment of disease. Eating disorders have been shown to directly affect the individual's absorption, metabolism and hormone regulation.

In view of this, I feel there is a great need to defend our school lunch program and we know any alteration of any part of our body carries with it a change in body image, but perhaps the most serious alterations comes with the loss of proper diet. Individual appearance alters, but depending on the level of a loss of a balanced diet, all his senses

become dulled. Also affected is the state of mind, his well-being and how to interact with those he comes in contact with on a daily basis, sense of being important to himself and his learning process becomes altered, sometimes to a very low ebb.

The impact of not being fed properly at a very early age is characterized by despair, discouragement, and downright defensive and aggressive behavior.

Some people will always depend on someone and if that someone is not there, the Government will be the ultimate answer. Preventive measures must be taken at a very early age as soon as the child is able to understand the teaching of a well-balanced diet and exactly what each food does for us in the way of good health.

It's been my experience in working at the Brookfield Elementary School here in Brookfield, and this is certainly just the lives of many, especially in grade one, now I have seen evidence of this, a well-balanced meal and what it can do. The children were kept in very close observation. By grade two these children were eating a good meal and were asking for seconds on vegetables at the end of the year. Their grades and outward appearances had improved. They became interested in others, laughing and playing with some of their classmates. Two of these children in particular were not the problem they had been in the beginning. We cannot and must not allow a retreat of what we Americans have come to realize, the importance of the school lunch program. This program is not only important to the poor but also to children who for reasons such as early bus stops, to parents who do not give their children breakfast in the morning.

Please consider the preventive welfare and prevention of ailing people begins with providing support and sensitive leadership from our President, from our Governor, and our representatives. Thank you very much.

Mr. BARRY. Thank you, Miss Holman. Any questions?

Senator ANDREWS. One of the things that I think is extremely important in these school lunch programs is to make sure that we feed the child the quality product. In other words, if you're going to have a dairy product, have a good cheese product, have a good milk product. I remember the phony macaroni case when somebody thought they could cheapen macaroni by putting in corn floor and it got to be a disaster and you had whole groups of children turned off from one of the most nutritious foods. So, it has to be part of the nutrition learning process and I think that is extremely important. Not only should we have a school lunch program, but they ought to be nutritious, not too expensive, but nutritious, sound, basic food so those diet habits will be developed at a young age.

Senator LEAHY. I really can't resist. I brought out in one of the hearings of the Nutrition Subcommittee that Senator Dole and I held that ketchup should never be considered a vegetable.

Senator ANDREWS. No way.

Mr. BARRY. Thank you very much, Miss Holman, and we will be going to our next caller now.

TESTIMONY OF SUSAN LAKE, WEST WOODSTOCK, VT.

Ms. LAKE. My name is Susan Lake and I'm from West Woodstock.

About transportation, I hurt my back 3 years ago and I haven't worked since. My biggest problem has been getting transportation

to and from the doctor's office and the hospital. The children's medication provides transportation and the senior citizens can get transportation through the senior van, but there is nothing for the inbetween people. It's just a necessity.

My son has allergies and he has to walk to get his allergy shots which is about 1½ miles away. In the summer he rides his bike, but in the winter he must walk.

Regarding health care, I feel that being on medicaid deprives you of proper medical treatment. I could have been back to work if the doctors had believed that I had a problem and not been trying to beat the system. They feel I want to be on welfare and no one with any self-respect wants to be on welfare.

I tried for a week to get a doctor from Mary Hitchcock Hospital to call me, but each time they gave me an excuse. This was related to a myelogram that I had and the problem was getting worse and I just couldn't get a doctor to call me.

Mr. BARRY. Any questions?

Senator ANDREWS. I noticed our good doctor over here nodding her head and it would seem if someone in Vermont—I know if someone in North Dakota can't get ahold of a doctor to take a look at a problem, then that doesn't make any sense at all.

The other point she made, transportation is a difficult thing for rural America because you don't have the mass transit capabilities that you have in urban America, and I think it's one of the things that you have to work for medication, nursing care programs.

Senator LEAHY. I think one of the problems we have had in rural America is that everybody has gone on the assumption people have their own transportation in rural America, that you have a bus or another form like that in urban areas.

We have had some examples where rural transportation systems have worked. They have required some of the same subsidies urban ones did, but they have worked.

I don't have the answer to all of the problems of the women who called in. I don't think any of us do. I want to re-read her testimony afterward and see if there aren't some further suggestions we can make.

I point, out though, Jack, that this person testifying is a person who would never have been able to testify to these hearings if they were held in Washington, or if they were held any other way than they have been here. That is why I think what we are doing here is going to turn out to be the most valuable thing the Senate can do in their hearings in the years to come.

Mr. BARRY. Maybe Dr. Coffin may have a comment.

Dr. COFFIN. I think there are certainly a lot of Vermonters, who find themselves in a very difficult situation to solve their health care problems for a variety of reasons.

I also suspect that home health agencies might play a nice role in helping to work with her in getting access to health care systems.

Mr. BARRY. Thank you, Mrs. Lake. Now, let's move along to our next caller. Would you identify yourself, please, and tell us where you're calling from?

STATEMENT OF MARTIN KEELER, BROOKFIELD, VT.

Mr. KEELER. Yes; I'm Martin Keeler and I'm calling from Brookfield.

Mr. BARRY. Yes, sir.

Mr. KEELER. Thank God Mrs. Holman called a minute ago and she spoke much more professionally than I can about the thing that is on my mind which is the school hot lunch program that I really don't know what to say next, except I would like to point out that we have about 115 children in kindergarten through sixth grade in our elementary school. This is a town of 960 people, and of that number of youngsters, 35 percent are now having free lunches and another 10, 12 percent are paying part of the cost of their lunches which gives us an indication of the importance of this kind of program.

My own experience with trying to work with and help poor people began in New York City in 1929 and continued there for the next 3 years, and then we went to other urban areas and only in the next 10 years have I been in a really rural area and begun to appreciate the fact that our problems of poverty and lack of good nutrition are every bit as serious as they are in the urban areas, and the reason I address myself to this rather than some of the other concerns that you have been speaking to tonight, is because of an experience beginning all those years ago, more than 50 years ago, and continuing throughout my professional life in trying to help people who don't have enough, who don't have proper food, who don't have enough food and it does seem to me that the problem of the rural poor is closely related to the responsibility of the Department of Agriculture and that is why I asked for the privileges of doing this, and I really appreciate it.

All I want to do is to back up people like Mrs. Holman who are doing the best they can, but are constantly being threatend with less than they need. Thank you very much.

Mr. BARRY. Thank you, Mr. Keeler, and maybe we will get a comment from the Senators.

Senator ANDREWS. I think he made his point.

Senator LEAHY. I don't think anything we could say could add to it. I really appreciate the comment.

Mr. BARRY. Let's go on to the next caller. Would you identify yourself, please, and tell us where you're calling from?

STATEMENT OF JOYCE PATCH, RUTLAND, VT.

Ms. PATCH. Yes; my name is Joyce Patch and I am in Rutland, Vt.

Good evening, Senators Leahy and Andrews. I first would like to say how pleased I am to see this program taking place. I just wish it had been thought of a lot sooner and I sincerely hope it is a forecast of more of this same kind of caring, individualized attention to the people. I am of a mind to think this is a major step in actualizing a government of and by and for the people.

I think I should tell you that I am on social security disability, therefore, I am concerned about health and, secondly, and in conjunction with that housing. I have been on the receiving end of some pretty bad experiences from those areas.

I might say at this point that in reference to the good doctors talking about regulations, I would like to add social security has some pretty funny ones too. They are placing me in a very, very unpleasant position. In fact, they have harassed me to the point where they are making my life absolutely miserable.

I am also concerned about the medical and mental health programs which are not addressing themselves to people like me who, somewhat like the lady who just called previously are of the middle age group where you just don't seem to count.

Again, I would like to say something about the housing. I have been nearly 2 years trying to obtain a certificate from the housing authority in order to receive subsidized housing. They keep telling me that I have to wait to come up on a list and they are saying that they have a 6-year waiting list and that people sleeping in cars is not considered an emergency, and you must wait until someone dies before your name moves toward the top of the list and right now they are even threatening to take me off the list entirely, after I have worked so hard and waited for 2 years, because I was unable to attend a meeting to update my file.

There has been much publicity recently about the medicare and medicaid as it relates to the mental health care for people with problems in Vermont, such as payments made for them, and I think this is a good indication that people in the rural areas are beginning to be concerned about mental health.

I would also like to at this point object strongly to the amounts of money that seem to be placed in the hands of foreign countries and even to some degree of our own country for certain services that appear to be somewhat out of line when you take into consideration the amount of services that low-income people are not able to avail themselves of due to a so-called lack of finances being allocated to these services for low-income people, and the U.S. Government is spending money at the whim of our President for things that seem to be nonessentials as far as the welfare of the country is concerned.

I would like to see everyone connected with our Government all come to the realization that there has been from the beginning of time, is now, and always will be, for as long as the world stands, a certain group of people that will always need to be supported by their fellow man and in my opinion, this, according to the very nature of our creation, is a human aspect of man for which we are here to practice. If there is anyway that you can persuade the other members of our Government to go along with yourself in finding a way to release dairy products, housing, and health care to the people that are in need, not only in the State of Vermont, but the whole land, it would be the most wonderful thing that could ever happen in this world, and I think, as a nation that is one of the richest countries in the world, that we ought to be, all of us, thoroughly ashamed to let any member of our society go without any of the aforementioned services.

I thank you very, very much. I appreciate your letting me do that.

Mr. BARRY. Thank you, Mrs. Patch. Gentlemen, comment?

Senator LEAHY. She said it all, she really did. Again, the reason for these hearings is to let people have a chance to say that. Those are the things that aren't said anywhere near enough in Washington. They have to be. I'm delighted we have heard it here.

Mr. BARRY. I guess at this point we would thank our members of the health and nutrition panel for being here; Betty Davis and Dr. Coffin, and that really brings us to the final part of our committee hearing this evening, and I guess I would call at this point, Senator Leahy, for your final comment this evening.

Senator ANDREWS. Let me say, Jack, first as chairman of the subcommittee, I would like to thank you and the Vermont Educational Television system for making these facilities available to the committee. We appreciate it very much and I think it's helped in an innovative new step in the way to hold a Senate panel hearing.

I would also like to thank my colleague and good friend, Senator Leahy, and his staff for the local arrangements they made. It's been a great privilege to be up here. I think the hearings were good. I'm looking forward to coming back and seeing Vermont when it's indeed green.

Green Mountain Boys—I read about the Green Mountain Boys for a good many years. I haven't seen many green mountains, they look a little white right now, sort of like we have them out in North Dakota most of the winter, but, Pat, it was great and we are looking forward to having you out in North Dakota, and I will turn the gavel over to my colleague who has been chairman a lot longer than I was a minority member of a long time in the House. The last 3 years I have been in the majority, but when we come to a place like Vermont, you're always wise to give the fellow on his home turf the gavel because then you're the one who cuts off your constituents and you let the proper ones go on, but sincerely, thanks, Jack, to you and for what Vermont Educational TV did and, Senator Leahy, it's great to work with you and we are looking forward to taking our road show out to North Dakota to continue these hearings, and I join with Senator Leahy in urging those of you across Vermont to send in written testimony that you want to have added to these hearings so that the record will be more complete and that our colleagues and their staffs can have a chance to study it over.

Senator LEAHY. I also want to thank everybody here and Alan Campbell, Dan Healey, John Letteri, Maury Hausheer who came here with Senator Andrews, the panels, and the stenographer who's been fantastic for 3 hours.

Senator ANDREWS. In Washington they stop every 20 minutes.

Senator LEAHY. This is the person who deserves some credit. I'm glad to see now she's on the TV. Special thanks to you, Mark Andrews, for traveling 2 days to get here to these hearings, and, Jack, to you for perseverance.

This is a fantastic thing. I don't think there is any question in my mind and Senator Andrews' mind there's a going to be a lot more of these around the country. Thank you.

Mr. BARRY. Thank you very much for the kind comments, Senators, and I would like to thank all of the panelists and particularly I would like to thank my colleagues here in Vermont ETV for a really great job.

Now, please remember that once again we remind you that if you have testimony you wish entered into the record of this committee hearing, you may do so by sending your testimony to Committee Hearing, Attention Patrick J. Leahy, Washington, D.C. 20510. You have

2 weeks from tonight's date to submit that testimony, and, incidentally, transcripts of tonight's committee hearing will be available.

Now, if you would like to receive a transcript of this hearing tonight just address a communication to Transcripts, Vermont ETV, Ethan Allen Avenue, Winooski, Vermont 05404. Please allow 6 weeks for delivery and that concludes tonight's Senate hearings.

We thank all of you for watching and we sincerely hope that we will have the opportunity to do it again. I'm Jack Barry. On behalf of all participants tonight, thank you for your participation and think you for watching and good night everybody.

[Whereupon, at 11 p.m., the subcommittee adjourned, subject to call of the Chair.]

ADDITIONAL MATERIAL

HINESBURG, VT., *February 18, 1983.*

Re ETV Committee Hearing—Burlington, Vt.
Senators, Patrick Leahy and Mark Andrews.

U.S. SENATE,
Rural Life Development,
Washington, D.C.

DEAR SENATORS: Writing in regards to the live forecast on ETV for committee hearing. We support both of you in your efforts. Have known you, Pat, and recognize that you have worked hard for the farmers here in Vermont and in meeting you, Senator Andrews, we feel you have the knowledge of the importance of farm income to the economics of the United States.

We are dairy farmers in Hinesburg, Vermont and are members of the National Farmers Organization (NFO) and also support the philosophy of the National Organization of Raw Materials (NORM). Both of which ask for 100% parity for all agriculture. None of the dairy programs discussed in the hearing can work, in our opinion, because the penalty is to small and there is no income to make up the difference between 1980 and 1983 incomes. We, on our own farm, would receive $30–$35,000 less than 1982. The only way to make up this loss would be for us to produce more milk for a dollar less to try to obtain the income to pay our bills. President Reagan's economic philosophy is right and could work if agricultural and raw materials were at 100%.

The Milk Surplus Act, supposed to be in force, is 50¢ tax in December and in March $1.00 tax per hundred weight of milk and suggestions presented on ETV were 85%–15% and 95%–5%, whichever, still will take away from the Vt. farmers approximately $20 million per year which many economists believes multiplies by 7 to 9 times per dollar received or not! This would equal $140 or $180 million in economic growth and potential tax revenue that would support our government spending.

Our suggestion is to raise the support price 15%. Ask farmers to cut their production 15% or be assessed 30% of the new support price; that's a heavier penalty. This would make no over production and farmers would have the same income as in 1982 and there would be no surplus. To inhance better milk prices in the milk markets we need a new law stating that co-operatives not assess their producers for the buying of the plant and losses in market. The independent milk handler has to pay the full market price and not pass his losses to anyone. This creates unfair marketing and keeps a downward pressure in farm prices.

In conclusion, if no bill can be passed that will put the same or more money to the farmers income, we would suggest doing away with the support program and get the government out of the farmers affairs and TAKE WHAT MAY!

Sincerely,

LOREN GILBERT.
MARY GILBERT.

FEBRUARY 18, 1983.

Senator PATRICK LEAHY,
Russell Senate Office Building,
Washington, D.C.

DEAR SENATOR LEAHY: Attached are recommendations from the undersigned on needed changes in public policy regarding public transportation in rural areas to be included in the written record of the hearing on rural issues, which was held in Vermont on February 14. We feel that these changes would substantially

benefit public transportation in those areas without requiring increased federal outlays.

Your continued support of public transportation programs is greatly appreciated.

John L. McKenna, Chair, Rutland Regional Commission; Francis T. Willis, President, Board of Directors, White River Transportation Services, Inc.; Frank Mazur, Chair, Board of Directors, Chittenden County Transit Authority; David Melen, Chair, Board of Commissioners, The Bus Company, Inc.; Russell Hann, Chair, Board of Directors, Central Vermont Transportation Association; Mark Blucher, Director of Transportation Services, Rutland Regional Commission; David Palmer, Ex. Director, White River Transportation Services, Inc.; Catherine Debo, Gen. Manager, Chittenden County Transit Authority; Jack Wingerter, Gen. Manager, The Bus Company, Inc.; Avram Patt, Director, Central Vermont Transportation Association.

INTRODUCTION

Public transportation in rural areas is coming of age; the demand is increasing as is an awareness at all governmental levels of the need to service that demand. Fortunately, the tools to meet that demand have been created and are slowly being put into place. The question remains whether they will be put into place quickly enough to meet current needs and to provide a critical ingredient in the economic development activities that are necessary to revitalize the State and national economies.

The important role of transportation in economic development has been identified. Hi-tech industries will not consider regions where the transportation systems present a degree of inconvenience. They, and other employers, must be able to draw upon the available work force. Yet, 10 percent of Vermont's households have no car and 47 percent have only one car. However, fully 58 percent of Vermont's families have two or more workers. These statistics graphically demonstrate the critical need to provide an alternative means of transportation in order to take advantage of employment opportunities as well as to meet personal needs such as shopping, education and health care.

What is required, as the following problems and recommendations point out, is not increased funding but increased flexibility in program management and delivery. With this, rural transportation systems can meet local needs and effectively coordinate their activities with systems in new and existing urbanized areas.

(1) Problem: Lack of long (or even short) term funding commitments to public transportation which are approved in a timely fashion.

Authorization levels set by the Congress in the Federal Public Transportation Act of 1982 were, for the most part, applauded by public transportation policy makers and planners as a demonstration of commitment by the Congress in sustaining public transportation service in this country. However, this commitment appears extraordinarily tenuous and fragile for no sooner was the legislation passed, than we learn that the Administration proposes to "rescind" monies to be used for public transportation in FY 84. This only continues the current situation where year after year, public transportation managers must sweat out the appropriation process to find out what, if any, monies are actually to be appropriated within authorization guidelines.

This uncertainty has caused the demise of many public transportation services around the country. Fear of loss of federal assistance during the past year and a half impelled most, if not all systems, to make significant cuts in service levels. A number of transit systems disbanded altogether in this climate of fear and uncertainty. A case in point is Bennington, Vt.

Additionally, the timing of the federal budgetary process makes it very difficult for local transportation organizations to anticipate federal allocations and plan their own budgets. Federal agencies request funding proposals for various programs from local organizations and then do not have the funds to allocate to these programs. A great deal of time and money is thus spent on the local level preparing proposals which will not be funded because of cuts ordered after the proposals were solicited. There is a great deal of frantic budget rewriting in response to sudden changes in Washington. When funding is provided, it is often delayed, or the applicants do not know how much they will be receiving until very late in their own budget-making process.

The success of public transportation depends on the regularity and reliability of services. Users are reluctant to give up their present transportation mode (private auto) when they have any doubt as to the continuation of a public transportation service.

Recommendation: A Congressional commitment to specific 5-year appropriations that will match authorizations. Any action less than this will condemn public transportation to inevitable decline. Any action less than this will rob transit managers and planners of the essential information they must have to develop budgets and service plans which will inspire confidence of and support by the local unts of government.

Recommendation: Consistency in the availability of federal funds that will permit local transportation organizations to know what their appropriation for each fiscal year will be in a timely fashion.

(2) Problem: Lack of flexibility in federal funding for public transportation.

Federal funds for public transportation are currently administered through a number of federal agencies and programs, including UMTA, FHwA, and the Department of Energy. Funding criteria are set in Washington, often with little relevance to rural areas such as Vermont. Each UMTA section has a restricted use, and eligibility for funding from each section varies according to the organizational structure of the applicant. For example: a private non-profit organization such as Central Vermont Transportation Association (Barre) is not eligible for Section 3 funds, even though this would be the most appropriate funding source to start a bus service connecting Barre and Montpelier with the Central Vermont Hospital area in Berlin. Public non-profit organizations such as Chittenden County Transportation Authority and Marble Valley Regional Transit District (Rutland) are not eligible for Section 16(b)(2) funds for elderly and handicapped transportation, even though those organizations might be the most appropriate ones to deal with that problem in a coordinated way. Since funding criteria are not very flexible, it is difficult for local transportation organizations to operate "most appropriate mode" systems (as discussed in Problem No. 7). They often find that what they do depends on what money is available, rather than being allowed to do what is best for their service area.

Recommendations: Greater flexibility in funding eligibility for private non-profit and public non-profit transportation organizations.

Recommendation: A "block grant" approach to funding, so that local organizations can use federal funds to provide for transportation in the most appropriate and cost-effective manner for their service areas. Local transportation people are more likely to understand what will and won t work in their area. This approach should also reduce paperwork and red tape for all involved.

(3) Problem: Lack of sufficient planning funds to design flexible public transportation services in rural areas.

Local public transportation organizations will require planning assistance in order to provide transportation in an appropriate and cost-effective manner.

Already established organizations can provide this service if UMTA will commit necessary funds. Current policy is to direct limited transit planning funds (Section 8) to Vermont. With the growing need for, concern about, and ability to provide public transportation services in rural areas, it is critical that adequate preparation for these services be provided in order to insure the most effective use of the funds that are available. More funds are not required nationally; necessary is a Congressional policy that will insure that a reasonable share of available funds will be directed to rural areas.

Recommendation: Provide Congressional policy that directs transit planning funds to rural areas.

While Section 18 funds can be used for planning purposes, lack of a minimum allocation necessitates that these funds be used for operations and capital—leaving none for necessary planning activities.

(4) Problem: Proposals to discontinue operating costs as eligible costs for federal reimbursement for rural and small urban transportation systems.

Recommendation: Continue to include operating costs of rural and small urban transportation systems as eligible expenses for reimbursement under Section 18.

Rural and small urban transportation systems are serving, by and large, those in our smaller and more remote communities, who can least afford to pay for transportation. Ridership profiles clearly show that users of small urban and rural transportation services lack regular access to other transportation due to income, age, and/or handicaps.

Thus, even in the most optimum circumstances these public transportation services will not be able to recover their full cost of operation. Over the last

twenty years, the federal government has helped meet these operating costs through a variety of social service and transportation programs.

Federal involvement remains just as crucial today. Suggestions before the last two sessions of Congress that federal operating support could be eliminated, places an unreasonable demand on state and local governments. Particularly, in Vermont where the highway fund is already suffering large deficits, and local property taxes are excessively burdensome, there is no capacity to absorb the existing federal portion of transit operating subsidy.

The successful delivery of rural and small urban transportation services, requires the combined support of the federal, state, and local levels. Each needs to make its contribution to show support, both financially, and in faith, that the access to transportation is vital to all.

(5) Problem: Reduced commitment in authorized funding levels to new urbanized areas.

The Congress has mandated that operating assistance will be limited to 40 percent of their Section 9 apportionment in FY 1984. Congress should not single out new urbanized areas for uneven treatment. Funding problems in new urbanized areas are no different than in old urbanized areas. The cap will adversely affect public transportation in Burlington, Vt as in other new urbanized areas—not only in FY 1984, but for years to come—perhaps a decade or more.

Recommendation: Amend the Public Transportation Act of 1982 to delete the 40 percent cap.

(6) Problem: Transportation needs in our most rural states are as great, if not greater, than other states. Yet, small rural populations limit the amount of available Section funds that can be directed to the public transportation needs in those states.

Recommendation: To insure adequate funding to our most rural states, a minimum state entitlement of one percent (1 percent), should be included in the Section 18 distribution formula to insure adequate funding to our most rural states.

Due to the very nature of its small, disperse population, Vermont experiences both a high need for rural transportation services, and conversely, a low apportionment through the Section 18 program. This trend can be better understood by the realization that the Section 18 apportionment to Vermont each year is in no way respective of this demand, but rather only the state's small population base in comparison to national standards. Thus, through its first four years, the Section 18 program has barely provided minimal funding to the existing programs in Vermont, while consideration of new system starts has not been feasible; planning activities as well as capital expenditures are impossible.

For states like Vermont, that have a statewide rural transportation need, accentuated by a small population base, a minimum entitlement, rather than just population consideration, will insure a more survivable level of funding. A minimum entitlement factor was included in separate House and Senate legislation in 1980. Failure to pass a Surface Transportation bill that year prevented this broadly supported concept from becoming part of the Section 18 distribution formula. However, the lapse of two years since that point, has only accentuated, not diminished, this needed improvement to the allocation method.

One way to initially finance the minimum entitlement would be to return unobligated Section 18 funds to the program after two years, rather than the original three year period. Through this infusion, the Section 18 program could fund rural states, which have a small population base, at a minimum entitlement level, while not detracting funds from the formula allocation to larger states.

(7) Problem: Lack of flexibility in planning and implementing public transportation services in rural areas.

Due to sparse population, topography and other factors, providing public transportation in rural areas is extremely difficult. Fixed route bus services, demand responsive (dial-a-ride) paratransit and taxis can only serve the denser population centers. Service for the general public on major travel corridors from outlying towns is very limited and is a non-existant on back more local roads. What services there are in these areas are restricted to one or another specific segment of the population (students, senior citizens, mental health clients, regular commuters, etc.) and cannot usually be used by others needing to travel the same route.

Recommendation. Define public transportation for rural areas broadly to include all modes of transportation beyond single occupant use of private autos, i.e.

carpools, vanpools, taxis, social service vehicles, volunteer driver networks, school buses, subscription and fixed route bus and van services, etc. Rural public transportation is not "mass transit."

Recommendation: Encourage local public transportation organizations, through funding formulas, to provide for transportation in the most appropriate and cost-effective mode.

For example: An organization that only operates buses will never be able to serve back roads and outlying towns without massive subsidy. However, if the same organization provides for bus service in and around the larger population centers while offering a ride-matching service, vanpool assistance and coordinated multiple use of social service vehicles and school buses, it will be able to serve an entire region which would otherwise have no public transportation and no means of connecting with services in the larger towns or cities. Public transportation organizations should not be restricted to one particular type of transportation; they should be encouraged to be flexible and match needs to the most appropriate mode.

SAINT MICHAEL'S COLLEGE,
DEPARTMENT OF JOURNALISM,
Winooski, Vt., February 16, 1983.

Senator PATRICK J. LEAHY,
Committee Hearing,
Washington, D.C.

DEAR SENATOR LEAHY: I would like to submit this statement as testimony for the Senate Hearing on Rural Development. It was submitted to Vermont Educational Television for the February 14th hearing, but was not elected to be read that evening.

This statement reflects interest in rural issues on the part of a number of us at St. Michael's College. I am completing this Spring a slide tape program and a book on the impact of development on the rural character of Chittenden County. The Vermont Institute of Technology Transfer has just begun to examine the problem of roads and bridges in rural Vermont. The Bi Lingual, Bi Cultural Center, also a new project, is examining the ethnic culture in rural Vermont, New Hampshire and Maine. I have also been designing a major proposal to be submitted to the Kellogg Foundation to establish at St. Michael's an Institute for the Communications of Rural Issues. Fred Schmidt has been involved in the planning of the project. All of these projects implement in a variety of ways the commitment we have to address and document the issues in rural New England and each of these projects has a documentary component (photographic). Dr. Edward Henry, President of St. Michael's College has made these projects an important part of the college commitment to the community. He directed personally a project on rural criminal justice in Minnesota before coming to St. Michael's.

I mention these projects to make you aware of the developing commitment St. Michael's has to rural issues. It is out of these commitments that this statement has developed. I would be happy to discuss further with you the idea of establishing such a photographic project if you are interested. As you can see, we are taking steps ourselves at St. Michael's in that direction already. A national project would give the effort a broader national significance.

Sincerely,

Dr. T. R. OATES, *Chairman.*

St. Michael's College would like to propose that the federal government develop a comprehensive documentary photo project to record and describe the crisis facing rural America in the 1980's.

The fact that you are holding these hearings illustrates this crises. The small farmer is being driven from the land, suburban development is threatening the rural character of the countryside, the rural poor are being increasingly isolated from the few social benefits of a society in recession.

A photographic project would serve to not only clarify these issues for those in decision-making positions, but would also bring the plight of those in rural America before the public by making these images available to newspapers, magazines, and television on a "cost only" basis.

In the 1930's, rural America faced a period of crisis similar of that today. The historical section of the Farm Security Administration documented these

issues and brought them before the public. The FSA collection in the Library of Congress is one of the great records of this period and is considered a national treasure by many.

A project similar to the Farm Security Administration photo project could examine these same complex issues and show the real human costs of these problems and the genuine human results of the solutions.

St. Michael's College, through a series of grant sponsored projects on rural development in Vermont, rural transportation problems, and rural leadership has begun to address these issues in Vermont. It is from this experience that we have come to feel that a national record of these issues should become a central part of any long term attempt to address the often ignored problems in rural America.

If a people are to reach meaningful solutions for its problems it must first recognize and accept the full dimensions of these issues. It must see in the faces of the poor and those whose way of life are threatened, the human costs at stake. It must accept the diversity of the peoples and the problems that are a part of the issue. A photo project like the one proposed can create such a record and can project it in our society through the media. Its costs would be a fraction of costs of ongoing projects. We are facing a period in which the face of rural America may well be changed forever. If we fail to make that change, one that preserves the values of our society and the welfare of the people who live in the rural landscape because we did not bother to look closely at who we were and where we are going, our failure may be one which destroys the character of rural America for generations to come.

HUNTINGTON, VT., *February 22, 1983.*

Senator PATRICK LEAHY,
Senate Committee Hearing,
Washington, D.C.

DEAR SENATOR: The televised hearing on rural issues on Vt. ETV was a wonderful idea. At the very least, it provides us, the public, with an opportunity to feel more involved with the decision making process of our government.

As for my personal input, two of the testimonials very clearly expressed my feelings. Those are the words of Sarah Norton, of NOFA, and Justin Brande. There are a great many Vermonters who feel the way those two have been able to speak (many of us are lifelong residents).

Enclosed is a copy of my testimony given during a Vermont House Energy Committee hearing held just two days after your televised hearing. This hearing was to solicit comment on the Vermont Public Service Department's proposed "Twenty Year Electric Power Plan for the State of Vermont". Ironically, or appropriately, my testimony is very applicable to your hearing.

Thank you and good luck.

Sincerely,

DUNCAN KEIR.

RESPONSE TO THE PROPOSED 20 YEAR ELECTRIC POWER PLAN

Ronald Reagan has said, "Conservation means we will be too hot in summer and too cold in winter." I prefer to think conservation means the wise use of our time and resources with the result of a more stable and comfortable existence. Webster's dictionary defines conservation as "planned management of a natural resource to prevent exploitation, destruction or neglect."

It is my opinion that this plan, as it is written, generally neglects Vermont's natural resources of people and potential energy supply. This plan exploits the sensitive energy situation to promote development of an unneeded powerline that will scar one of the last undeveloped regions of the state. This plan, as it is written, contributes to the destruction of the rural fabric of this state.

The Vermont legislature has mandated the Public Service Department to develop a plan that meets the needs of Vermonters. In attending several of the public meetings, I personally heard the testimony from concerned members of the public that overwhelmingly demonstrated that the number one priority should be conservation. This is the direction the people of this state wish to pursue to its fullest potential.

And yet the PSD has endorsed only four steps in the residential sector of its Conservation Case to pacify this demand. These four steps clearly demonstrate

the presence of vast quantities of electricity that are currently being wasted. These four steps are very cost effective. The implementation of these four limited steps over the next twenty years mean a savings of an estimated 479 million dollars. This amount is equal to three times the 1982 power costs of the entire state of Vermont. Just imagine what that amount of money would do if it remained in state instead of being spent on buying unneeded power from New Hampshire or Quebec.

These four steps are limited because the PSD has planned to reach only 50% of the consumers affected by the proposals over a period of the next five years. In a similar situation, Idaho Power, which has twice the number of electrical customers as Vermont, has had over 92% compliance in a two year period. Certainly, only 50% compliance over a five year period is not what the public meant when they petitioned the PSD to "be conservative."

There are many, many other steps that can be taken to conserve and reduce our dependency on outside sources of energy. The PSD has examined a token number of other possible conservation measures and states they are cost effective, and yet they do not include these measures in the plan, and by this action, fail to endorse them.

Vermont is a rural state and Vermonters have chosen to live here because of a certain quality of life it has to offer. We are willing to accept the so-called "hardships" resulting from a lack of certain community services just as we are willing to accept the "hardships" of Vermont's weather. Situations we perhaps complain about, but inside there is the knowledge that we are survivors.

Vermonters are aware of the opportunities and environments that exist elsewhere in this country. If any one of us chooses to seek the kinds of employment or services or weather available elsewhere, we have the individual option and the right to seek out those opportunities. We are here in Vermont by choice. There are many social and economic problems that exist and we shall continue to work to overcome those problems.

A few individuals feel the solution to Vermont's problems and needs is to flood the state with energy supply and then to import industry. Some of these people are presently in positions of high political and business offices. They hold these positions because they are good at what they do. They have been able to convince many people that their alternatives are the only viable solutions—the industrialization and urbanization of Vermont.

This is not the only solution. In fact, Vermonters are being put out of work and are being asked to carry a heavier tax burden by the importation of industry.

We are witnessing the urbanization of Chittenden County right now. Chittenden County, a major part of the "Breadbasket" of the Champlain Valley. Industry has moved in and created a strain on local services causing taxes to increase. If it were not for federal government grants to assist in increased services, this would not have occurred to the extent in which it has. But it has occurred and is occurring, causing increased deficit spending and an increase in school, town and federal taxation of the local residents.

What about the increased number of jobs provided by industry? Most of the higher paying, higher skilled jobs go to people that are imported from out of state along with the industry. The lower paying and more menial positions are the ones that primarily go to the Vermont workers. At the same time, the prospect for better pay from these large companies is luring some of the resident workforce away from locally established business and causes a reduction in the potential quality and success of those businesses. And to top it all off, these industries and new homes and new facilities are being built on top of some of the most productive agricultural land in the state.

Clearly, this kind of development is not in the best interests of most Vermonters. Our needs will be met by encouraging small, diversified local business development that utilizes the local labor force. Small businesses that are run by people accustomed to working within the confines of the limited services offered by rural communities in a rural state. We should be working to enhance the opportunities for people to start small manufacturing businesses. We should encourage the development of diversified farming, aiming to supply ourselves with a greater share of locally grown food. We should encourage the expansion of the private service industry, taking advantage of the increased communication facilities. As relates to this committee, we should encourage the development of in-state, small-repeat, small power producers using renewable resources, and we should employ people to carry out extensive and practical conservation measures to reduce our dependency on foreign supply.

There is so much more to be said but I should not take up much more of your time today. Therefore, I should like to testify that after thoroughly reviewing the PSD's proposed twenty year electric power plan, I have found that: (1) the proposed plan does not fully take into consideration the clearly expressed wishes of the public. (2) The proposed plan contains too many erroneous and invalid statistics and assumptions. (3) The proposed plan appears to favor and support certain energy development plans for political purposes.

In view of these reasons, I do not find the proposed plan acceptable.

The people of this state want to live relatively comfortable lives just like anyone else. But we are aware of the limits of services available and are willing to do without some of the "conveniences" that urban development has to offer. We are a rural state and wish to improve our existence within that framework. This is no longer the era of progress for the sake of development and growth and "luxuries". This is an era in which we must now progress in our struggle to improve the quality of our lives and reduce the destruction of our environment.

Our electrical needs can be met by developing reasonable and adequate measures of conservation and pursuing the sensible development and acquisition of sufficient energy to meet the true needs of the people of this unique and rural state.

Vermont's renewable resources of people, products and energy are in abundant supply. The season has arrived to begin tapping that supply.

CHARLOTTE, VT.

Hon. PATRICK J. LEAHY,
U.S. Senator.

DEAR SIR: Please accept the following as my testimony to the Senate agriculture sub-committee on agriculture and rural life in America.

As a Dairy farmer in Charlotte, Vermont, I am greatly concerned about the dairy price support situation. I believe the Federal Government should not be involved in pricing dairy products for the American farmer in this free enterprising country. I hope the government will phase out the price support system as the dairy farmers are allowed to set their price based on their cost of production.

The United States Government has a responsibility in insuring that the American people have enough food to eat. This can be accomplished by monitoring the production, manufacturing and distribution of food in this country. The government should allow food imports only when farmers and ranchers cannot meet the needs of the American people.

The Federal Government should help farmers and ranchers find markets outside the United States when there is a surplus of food and if the markets will increase revenues to this country. (It may not be profitable to sell food to other countries at the expense of the American taxpayer through subsidies to the farmers and ranchers.)

It is my belief that all raw materials, (agriculture is considered a raw material), should be at 100% parity with manufacturing and labor. Raw materials are produced or extracted from the ground with machines and labor. The machines are produced in factories by laborers. Manufacturers need raw materials to process or build machines and other goods to supply the farmers and ranchers and the general consumer. Laborers need to work in the fields and factories to make a living for themselves and their families.

When agriculture is forced to take less than 100% parity, this cycle is broken and the economy suffers as a whole. This has become increasingly evident in the last few decades as agriculture has had to take a back seat in the government's view of economic importance.

It is time for the Congress and the President to reconsider the importance of agriculture in this highly delicate and complex economy.

Getting the Federal Government out of the marketplace with the amount of milk in government storage at this time will be extremely difficult to do without hurting the dairy farmers. There have been many proposals to this Senate Sub-Committee and I urge you to exercise the utmost caution in selecting the one most acceptable to all concerned. The very life of the United States economy is at stake.

I am a member of a dairy organization who is backing a "Dairy Coalition" in Wisconsin. This "Dairy Coalition" is made up of several farm organizations and dairy cooperatives. This group has consrtucted a plan that may help ease the problem of milk surplus. It is a voluntary incentive program for farmers.

The criteria of the program is:

1. Must not reduce the gross income to dairy farmers.
2. Dairy farmers must reduce production.
3. The government must stay within its budgetary requirements.
4. Must contain a pay incentive to dairy farmers who reduce production below an established base.
5. Price support level must be related to parity (that is: If the cost of production goes up then so must the price support level. If the cost of production drops, the price support should drop accordingly.)
6. This plan must be broadly acceptable to dairy producers.

This voluntary incentive plan is also proposed in Hoard's Dairyman magazine Page 139 February 10, 1983 issue.

I urge the Senate agricultural sub-committee to discuss this plan in depth with the "Dairy Coalition" as a means of finding a way out of this disastrous problem.

I also urge the Sub-Committee to study the possibility of phasing out the price support programs while encouraging farmers and ranchers to price their own product based on USDA figures of cost of production.

Sincerely,

DALE A. GARVEY.

HIGHGATE, VT., *February 22, 1983.*

Senator PATRICK J. LEAHY,
Committee Hearing,
Washington, D.C.

DEAR SENATORS LEAHY AND ANDREWS: I would like to request the following be included in the written record of testimony for the hearings of the Senate Agriculture Subcommittee on Rural Development.

My name is Richard Noel. I am a dairy farmer in Highgate, Vermont and serve as a member of the five-member board of supervisors of the Franklin County Natural Resources Conservation District. I am also President of the Vermont Association of Conservation Districts, Inc. representing Vermont's fourteen locally organized conservation districts.

For some forty years now, our conservation districts have been on the front lines assisting the agricultural industry and rural communities in solving soil and water resource problems, maintaining and protecting that resource and providing for its most productive use. We have been able to accomplish much over time because of USDA's technical and financial assistance and the willingness and financial input of Vermont's farming community and rural municipalities. This partership of USDA, conservation districts and landowners both public and private, represents a substantial public investment in our soil and water resources. This investment may be lost because of the combination of a number of problems which include the President's proposals for major cuts in conservation programs, the dairy surplus problem, high interest rates and the redirection of conservation funds and personnel to areas based upon gross erosion rather than erosion as it affects agricultural productivity. It is our position that if these problems continue unresolved the rural structure will be unable to maintain its present initiatives for a quality environment for our citizens.

We are not opposed to national targeting of federal resources to areas with critical resource problems. However, we feel this should not be done at the expense of successful on-going conservation programs in Vermont. We believe each conservation district is best able to direct technical and financial assistance to local resource problems based upon the first-hand knowledge of local citizens and community leaders.

We believe that a viable agriculture based upon the family farm is important to any successful rural development strategy. The protection of our resource base is essential as our world population doubles and with it the rising demand for agricultural products.

It is imperative that USDA technical and financial support to Vermont's districts not be reduced at a time when we are being called upon to meet this

challenge. It is clear that conservation districts are being asked to play a major role in shaping the future of rural Vermont. We look forward to continuing the present local-federal-state conservation program delivery system that works.

On behalf of Vermont's conservation districts I thank you for the opportunity to provide our input.

Sincerely,

RICHARD NOEL,
President, Vermont Association of Conservation Districts.

TOWN OF BETHEL, VT.,
OFFICE OF THE TOWN MANAGER,
Bethel, Vt., February 24, 1983.

Senator PATRICK LEAHY,
Rural Life Hearing Committee Record,
Senate Office Building,
Washington, D.C.

DEAR SENATOR LEAHY: The Board of Selectmen of the Town of Bethel are very concerned about the possible termination of the George D. Aiken Resource Conservation and Development Area. We would like the following to be included as part of the testimony into the record at the February 14, 1983 television hearing held on the Vermont Educational TV.

Resource Conservation and Development Programs have been providing assistance to rural areas to meet local needs for many years. Towns like Bethel are still looking toward receiving improvements that would not otherwise be realized without the leadership and continued aid wisely and prudently rendered and administered by the RC&D Coordinators.

The Town of Bethel has been involved in several RC&D Measures and supports this program completely. In 1980 we completed a RC&D Project which included: protecting a town road, a railroad bridge and a major business. RC&D cost-shared with the town for the $12,000 project that stabilized the Third Branch of the White River Streambank. We are in the final draft stages of stabilizing several critically eroding areas along the town roads. According to the initial field engineering estimates, the estimated cost would be approximately $110,000. Without the aid and assistance of RC&D we would have increased maintenance costs, silt in the streams and the continuation of unsightly eroding banks.

We cannot find the help and support, found in the RC&D Program, through any other type of Program. I would strongly urge your sub-committee to strengthen the RC&D Program so that towns, such as Bethel with limited resources, can carry out conservation type projects.

If we can be of further assistance in helping your sub-committee determine how RC&D helps towns and communities please contact us

Sincerely,

THEODORE NELSON, *Town Manager.*

GEORGE D. AIKEN RESOURCE, CONSERVATION AND DEVELOPMENT AREA,

Randolph, Vt., February 23, 1983.

Senator PATRICK LEAHY,
Rural Life Hearing Committee Record,
Senate Office Building,
Washington, D.C.

DEAR SENATOR LEAHY: We would like to ask that the following be included as part of the testimony into the record at the February 14th, 1983 TV Hearing held on Vt. ETV.

First I would like to thank your committee, yourself and Senator Andrews for providing the opportunity for input from the people of Vermont. There is a whole area of needs and opportunities relative to conservation and development of our natural resources that was not even mentioned during the hearing.

The rural areas of our country contain the resource base on which our nation depends. It was evident from hearing all of the testimony the night of the hearing that most people take for granted the resources on which their very lives depend. We cannot afford to let our rural development policies be overlooked and fail to address our critical resource needs.

There are presently agencies, organizations and groups that provide help to rural areas in conservation and development of their resources. Conservation Districts, Regional Planning Commission, Soil Conservation Service, Extension Service and others provide various components to our efforts in rural areas. But, the *Resource Conservation and Development Program* is the "one" that really ties the entire package together as far as conservation and development help for rural areas. The RC&D Program is unique in that it is built from the bottom up. It is a program that has a few USDA dollars but these dollars are channeled to meet needs as identified by the local people within RC&D Areas.

We in the George D. Aiken Resource Conservation and Development Area are very disturbed by the recent action taken by the Reagan Administration to eliminate the RC&D Program. In the recently released FY-1984 budget, the administration has asked for a (0) zero budget for the RC&D Program. The present national budget of 25.6 million for RC&D is not meeting all requested assistance. In Vermont we had two projects ready for funding that could not be funded last year.

We urge the Senate Agriculture Subcommittee on Rural Development to support the Resource Conservation and Development Program. With its small appropriations this program is helping local towns within our three (3) county area to reduce erosion along roads, streams and on public lands; improve wet conditions in parks and schools to assure optimum use of our land resources; reduce flooding; plan for better fire protection for our rural population; carry-out a local program to protect their farmland resource; and assess the impacts of proposed developments on the local natural and human resources. The RC&D Program provides both technical and cost-sharing help to towns so they can complete needed conservation projects that protect our natural resource base. This help is not available through any other program and any reduction in the level of assistance would have a very negative long-term and short-term impact upon our resources.

We must not let conservation and development of our natural resources "fall through the cracks" when it comes to rural development. I urge you to support and strengthen the RC&D Program as the best delivery system we have for providing the needed help for rural areas relating to conservation and development of our natural resources.

If we, in the George D. Aiken Resource Conservation and Development Area can be of help to your Subcommittee, please do not hesitate to let me know.

Sincerely,

HENRY MCGREEVY,

Chairman, RC & D Coordinating Committee.

BENNINGTON COUNTY NATURAL RESOURCES CONSERVATION DISTRICT,

Bennington, Vt., February 22, 1983.

Senator PATRICK J. LEAHY,
Dirksen Office Building,
Washington, D.C.

DEAR SENATOR LEAHY: This letter is written testimony to your committee hearing, February 14, 1983, on Rural Development.

As supervisors of the Bennington County Natural Resources Conservation District (BCNRCD), we feel this could be an important part of our programs. Rural Development programs (funds) are needed to maintain a viable agriculture, our tourist industry and our "way of life" here in Vermont.

In Bennington County we are concerned about the loss of primary agricultural land and unplanned development. There are existing programs that could be extended to address these problems. The Soil Conservation Service (SCS) has a new way of evaluating farmland that is objective and consistent. This is the Agricultural Land Evaluation and Site Assessment System.

We need a way to keep our farmers farming and make it possible for new, young farmers to start farming. The Rural Development program could assist our farmers not only with getting started but also with erosion control and land preservation.

Our District, along with the Otter Creek NRCD, Poultney-Mettowee NRCD and the Rutland NRCD is interested in expanding the George D. Aiken Resource Conservation and Development Area (RC&D) into our Districts. RC&D can

help landowners, towns, communities and groups of interested citizens and by assisting these groups, RC&D can help us achieve some of our goals. RC&D touches on many of the ideas of the Rural Development program. Hopefully, our county will be able to obtain funding and technical assistance that wasn't available before. Bennington County needs this kind of assistance as we are "left out" when it comes to other SCS programs. Rural Development and RC&D seem to go hand-in-hand. We would like to see some of the Rural Development program directed towards RC&D.

Bennington County has the potential of adapting to diversified agriculture—if we can preserve our important lands. We are closer to the urban centers and we have a favorable climate and productive soils. We have the potential for fruits and vegetables and Christmas trees, along with maintaining our dairy industry. The state needs someone who can get these ideas going and the markets established.

We welcome the idea of having a Rural Development program—it's about time. We also would like to see it in Vermont and in Bennington County. We want to see RC&D as an integral part of Rural Development. The conservation of our natural resources is definitely an important part of rural development.

Sincerely,

ROBERT E. GRAF,
HOWARD E. WILCOX,
WILLIAM L. WICKS,
MERRITT S. HEWITT,
CARL FULLER,

Supervisors of Bennington County Natural Resources Conservation District.

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